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ABSTRACT

Module 10 of a 17-module self-instructional course in student financial aid administration (for novice student financial aid officers and other institutional personnel) examines the Pell Grant program's eligibility requirements and award calculation procedures. It is part of a complete system teaching management of federal financial aid programs authorized by the Higher Education Act Title IV. It teaches how to identify the components of the Student Aid Report (SAR), recognize terms and definitions used in award calculation, and determine student eligibility requirements for receipt of a Pell Grant. Four sections focus on: (1) student eligibility (general and program-specific requirements); (2) the application process (application forms, the SAR, preliminary review of the SAR, verification of the SAR, and confirmation of student eligibility); (3) determining the student's award (major factors in determining an award, payment and disbursement schedules, determining a scheduled Pell Grant, determining an expected disbursement, term-based programs, nonterm programs, crossover payment periods, transfer student awards, recalculation of a Pell Grant due to a change in enrollment status, and the "Federal Student Financial Aid Handbook"); and (4) disbursement procedures (distribution of grants and disbursement dates, retroactive payments, recovery of Pell Grant funds, and deadlines). Three appendices are: sample Pell Grant payment and disbursement schedules for the 1988-89 award year; student aid reports received under various circumstances; and SAR reporting procedures: correction, recalculation, adjustment, projected year data, and secondary Student Aid Index. Contains four references. (SM)

A Self-Instructional Course in Student Financial Aid Administration

An Introduction and Guide to the Administration of Federal Title IV Student Financial Aid Programs

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HE 022190

A Self-Instructional Course in Student Financial Aid Administration

United States Department of Education
Office of Student Financial Assistance

The Pell Grant Program

10

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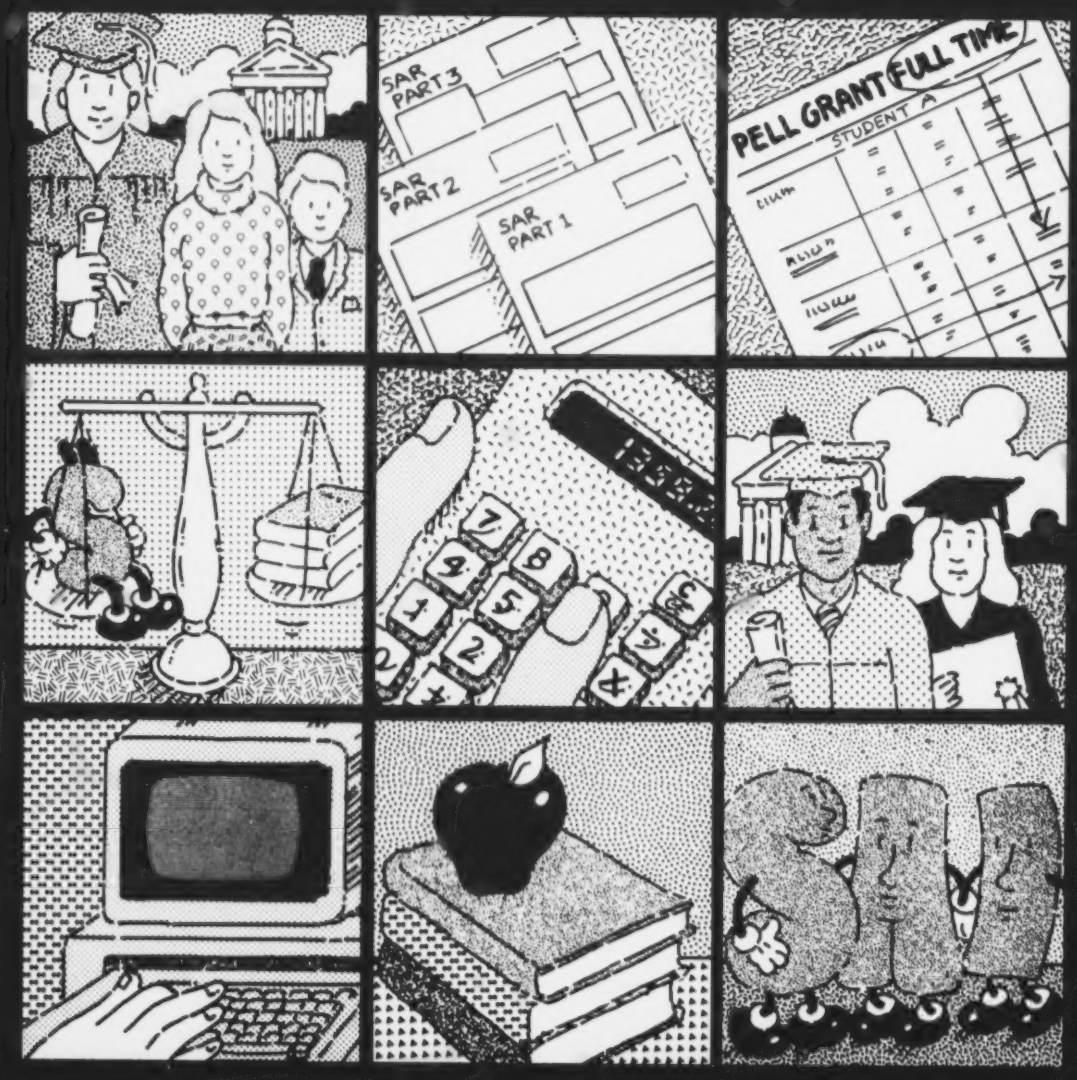

A Self Instructional Course in Student Financial Aid Administration

United States Department of Education
Office of Student Financial Assistance

This publication is one component of *A Self-Instructional Course in Student Financial Aid Administration*. This Second Edition of the course consists of the following modules:

1. Student Financial Aid Administration: Course Study Guide and Introduction to the Field
2. Federal Student Financial Aid: History and Current Sources
3. The Legislative and Regulatory Processes
4. Roles and Responsibilities of the Financial Aid Office
5. Title IV Institutional and Program Eligibility
6. General Student Eligibility
7. Calculating Cost of Attendance
8. Need Analysis
9. Award Packaging
10. The Pell Grant Program
11. The Stafford Loan, SLS, and PLUS Programs
12. Campus-Based Programs: SEOG, CWS, and Perkins Loan
13. Verification
14. Authorization, Fiscal Operations, and Reporting
15. Internal Aid Office Management and Institutional Quality Control
16. Forms and Publications
17. Evaluation of Student Aid Management: Self-Evaluation, Audit, and Program Review

The course includes a Support Booklet with the complete course glossary, acronyms, key resources, bibliography, and index, as well as addresses of publishers mentioned in the course. The Support Booklet also offers guidelines for further study.

UNITED STATES DEPARTMENT OF EDUCATION
WASHINGTON, D.C. 20202

October 1988

Dear Colleague:

We are pleased to present the Second Edition of A Self-Instructional Course in Student Financial Aid Administration. This updated version of the course originally published in 1986 incorporates provisions of the Higher Education Amendments of 1986, with 1987 Technical Amendments and subsequent amendments.

The purpose of the course remains the same. It is designed to provide neophyte financial aid administrators (those with two years or less experience in student aid) and other institutional personnel with a systematic introduction to management of federal financial aid programs authorized by Title IV of the Higher Education Act. Students of the course will gain a fundamental understanding of the roles and responsibilities of participating institutions and of student aid administrators. On completion of the course, they will be prepared to expand this knowledge with the use of training and reference materials, on-site training opportunities, and contacts with other members of the profession.

The materials were revised under a contract with the Washington Consulting Group. The text was reviewed for technical accuracy by many staff members of the Office of Student Financial Assistance (OSFA). Special acknowledgement is due to both project staff and OSFA specialists for accomplishing very wide-ranging modifications of the text during a period when much legislative and regulatory activity affecting student aid was in progress.

Your comments and suggestions regarding any aspect of the materials are welcome. OSFA is particularly interested in learning 1) the level of experience and job responsibilities of personnel at your institution using the modules; 2) the purposes for which they are being used (for example, self-study, training new staff, reference); and 3) whether you feel that this publication is among those that OSFA should continue to update and disseminate annually. You may send your comments to the Training Branch, OSFA/ED, 400 Maryland Avenue S.W., Washington, D.C. 20202.

Sincerely,

Dewey L. Newman
Deputy Assistant Secretary for
Student Financial Assistance

Daniel R. Lau
Director, Student Financial
Assistance Programs

Enclosure

The following non-OSFA participants contributed to the development of this Second Edition of the course:

David Wyatt, Project Director
Washington Consulting Group
Washington, D.C.

Suzanne Thompson, Financial Aid Specialist
Washington Consulting Group
Washington, D.C.

Sarah Pratt Nesbitt, Financial Aid Specialist
Washington Consulting Group
Washington, D.C.

Carl Emerick
Montgomery College
Rockville, MD

Vicki Baker
George Washington University
Washington, D.C.

Mary Kahn, Corporate Officer in Charge
Washington Consulting Group
Washington, D.C.

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MODULE 10

THE PELL GRANT PROGRAM

The technical information in this module is based on laws, regulations, policies, and procedures in effect as of:

August 20, 1988

This is one component of *A Self-Instructional Course in Student Financial Aid Administration.* This Second Edition of the course has been prepared by The Washington Consulting Group, Inc., under a contract with the U.S. Department of Education.

The course consists of 17 modules and a support booklet. It provides an introduction and guide to the administration of student financial aid programs authorized under Title IV of the Higher Education Act of 1965, as amended. The titles of the modules are listed on the inside front cover of this publication.

Institutions may freely reproduce the course for their own use. For more information on the course, contact one of the Department of Education offices listed on the inside back cover of this publication.

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MODULE 10

THE PELL GRANT PROGRAM

❑ LEARNING OBJECTIVES

This module will present the eligibility requirements and award calculation procedures for the Pell Grant program. Several major aspects of the program are discussed in other modules: the Pell Grant cost of attendance (Module 7); the Pell Grant need analysis formula (Module 8); verification of applicant data (Module 13); and Pell Grant reporting (Module 14).

Although we hope you have completed all the preceding modules, understanding this module will require as a minimum that you have a grasp of the material in Module 7, Calculating Cost of Attendance. To compute a student's Pell Grant award, you must understand how to develop the Pell Grant cost of attendance for a program.

After completing this module, you will be able to:

- ✧ describe student eligibility requirements for receipt of a Pell Grant;
- ✧ recognize the forms on which a student may apply for a Pell Grant;
- ✧ identify the components of the Student Aid Report (SAR);
- ✧ recognize conditions under which Student Aid Reports are selected for verification;
- ✧ recognize terms and definitions used in award calculation;
- ✧ determine a student's Scheduled Pell Grant and payments using a sample Payment Schedule; and
- ✧ recognize the differences in award calculation procedures for term-based and nonterm programs, including determination of payment periods and payments to students.

❑ INTRODUCTION

The Pell Grant is the foundation of federal student aid. It has separate program regulations and is separately funded, with award procedures and a need analysis formula that are specific to the Pell Grant program. It is the largest of the Title IV grant programs. In the 1986-87 award year, for example, approximately 2.9 million students received Pell Grant awards, amounting to a total Pell Grant expenditure of approximately $3.4 billion. The Pell Grant expenditures represented approximately 26.6% of Title IV assistance available to students in that period.

Unlike campus-based awards, Pell Grants are not determined by the institution. Payments are based on a Payment Schedule. Also, the institution does not usually make adjustments to

calculated Pell Grant eligibility. The institution's primary responsibilities for administering the Pell Grant program are to verify student eligibility and application data, to make accurate award computations and disbursements, and to report the use of Pell Grant funds.

This module is intended to give you an understanding of the key areas of eligibility, award computation, and disbursement. Eligibility requirements are the same in all institutions. However, there are two distinct sets of procedures for award computation, depending on whether the institution's academic system is *term-based* (with semesters, quarters, or trimesters) or *nonterm* (using clock or credit hours). You will be working in one environment or the other, and it is our task to introduce you to both. Without doubt, you will need further extensive training in either term-based or nonterm award calculations if you will be determining Pell Grant awards. Further training should focus on your institution's particular characteristics, such as programs offered and program dates.

❑ FOR SPECIAL ATTENTION...

Major changes have occurred as a result of the Higher Education Amendments of 1986, as amended by the Technical Amendments of 1987. Some of the most significant changes to the Pell Grant program are:

- ✧ the Pell Grant Family Contribution Schedule (FCS), the Pell need analysis formula, has been incorporated into statute.
- ✧ the Special Condition Application form has been discontinued because the Pell Grant Family Contribution Schedule no longer provides for the consideration of expected year income except in the case of a dislocated worker.
- ✧ beginning with the 1988-89 award year, new statutory cost of attendance criteria will apply.
- ✧ financial aid administrators have the statutory authority to make individual adjustments to a particular student's cost of attendance and expected family contribution for all the Title IV programs. Such adjustments must be based on accurate and adequate documentation and must be due to special circumstances.

More details of these and other changes are given in later sections of this module.

PRE-TEST

1. A student who 1) has received a Pell Grant prior to the 1987-88 year; 2) does not already have an undergraduate or first professional degree; and 3) is enrolled in a 6-year program, may receive a Pell Grant:

   a. through the 6th academic year of that program
   b. for 6 award years
   c. through the 4th academic year of that program

2. Payment may not be made to a student for a Pell Grant before the first day of classes. True or False?

3. The Pell Grant information shown on the MDE need analysis report is estimated and does not represent an official notification from the Department of Education of the Student Aid Index. True or False?

4. In some nonterm programs, a student may be allowed excused absences but must finish all other required hours he or she was paid for before receiving another payment. True or False?

5. In an institution defining its academic year as two semesters, if a student attends both Fall and Spring terms at full-time status, the expected disbursement will equal the Scheduled Pell Grant. True or False?

6. A student's payment must be recalculated if he or she is enrolled in a term-based program and changes enrollment status between terms. True or False?

7. Which students are eligible for the Pell Grant?

   a. all students attending a school which has been certified to participate in the Pell Grant program
   b. students who are enrolled in a degree or certificate program
   c. students who are not enrolled in a degree or certificate program

8. The part-time disbursement schedules may be used by clock-hour schools for students who attend part-time. True or False?

9. What are the two elements on the Pell Grant Payment Schedule used to determine a student's Scheduled Pell Grant?

   a. dependency status
   b. Congressional Methodology FC
   c. cost of attendance
   d. Student Aid Index (SAI)

10. Procedures for calculating a student's Pell Grant payment are different for term-based and nonterm programs. True or False?

11. Which form should be completed to record a special circumstance in the family's financial condition resulting from the loss of income or benefits, or the death, separation, or divorce of a parent or spouse?

    a. the Special Condition Application
    b. the Payment Document
    c. the Student Aid Report
    d. none of the above

12. Which of the following methods are approved for payment of a Pell Grant: (circle all that apply)

    a. credit the student's account for tuition and fees
    b. credit the student's account for a room and board contract
    c. check to the student

13. Which of the following purposes are served by the SAR Information Summary (formerly the Eligibility Letter)? (circle all that apply)

    a. informs the student whether he or she may be eligible for a Pell Grant
    b. is submitted to ED as a payment document
    c. serves as a permanent record in the student's financial aid file
    d. collects applicant data for submission to the Pell processor

14. The Pell Grant program defines an undergraduate as:

    a. a student who is enrolled in an undergraduate course of study, regardless of whether or not the student already has a previous baccalaureate or professional degree
    b. a student who is enrolled in an undergraduate course of study, and who does not already have a baccalaureate or first professional degree
    c. any student attending a school which offers an undergraduate degree

15. Once the Student Aid Report (SAR) is mailed to the student's home, the student has the responsibility for delivering it to the institution of his or her choice. True or False?

16. Students must be enrolled at least half-time to receive a Pell Grant. True or False?

ANSWERS

1. c. (10.2.2)*
2. False. (10.18)
3. False. (10.3)
4. True. (10.13.1, Example 11)
5. True. (10.11, 10.12)
6. True. (10.12.1, Example 6)
7. b. (10.1)
8. False. (10.13)
9. c. and d. (10.9, 10.10)
10. True. (10.11)
11. c. (10.4.5, Appendix C)
12. a., b., and c. (10.18)
13. a. and c. (10.4.1)
14. b. (10.2.1)
15. True. (10.4)
16. *True*, through the end of the 1988-89 award year. *False*, starting with the 1989-90 award year. (10.1, 10.2.3)

*For quick access to information on this question, see this section.

Questions: 16 Your Score: ____ Percentage: ____

STUDENT ELIGIBILITY

10.1 GENERAL ELIGIBILITY REQUIREMENTS

To be eligible to receive a Pell Grant, students must satisfy:

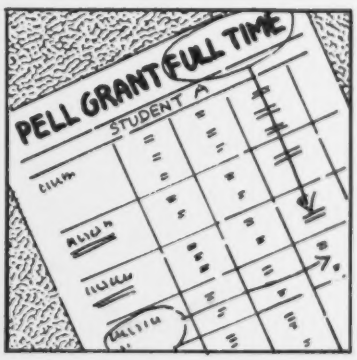
- ✧ the general Title IV student eligibility requirements; and
- ✧ the specific Pell Grant program requirements.

General student eligibility requirements are covered in detail in Module 6. Some of the main aspects of general student eligibility are reviewed below.

Refer to Module 6 for more details on general student eligibility.

Enrolled or Accepted for Enrollment as a Regular Student at an Eligible Institution in an Eligible Program: The student must be a regular student–one who is enrolled or accepted for enrollment in an eligible program for the purpose of obtaining a degree or certificate. Enrolled means the student has completed the registration requirements at the institution. Students who are taking courses for credit, but who are not seeking a degree or certificate, are not eligible for a Pell Grant.

An eligible program is one that has been approved by the Department of Education after the institutional and program eligibility review, and one that meets the standards for minimum program length. Remember, eligible institutions may have some educational programs that are approved for participation in all Title IV programs or in the Stafford/SLS/PLUS loan programs only, and other educational programs that are not approved for Title IV participation at all.



Beginning with the 1989-90 award year, less-than-half-time students will be eligible for the Pell Grant program provided that awards to them do not reduce the scheduled Pell Grant award amounts to be received by students enrolled on at least a half-time basis.

At Least Half-Time: Through the end of the 1988-89 award year, students must be enrolled for at least half-time attendance to receive Pell Grants.

Citizenship/Permanent Residency: The student must meet the general student eligibility requirements concerning citizenship or permanent residency.

Satisfactory Academic Progress, Default, and Repayment: Students must continue to make satisfactory academic progress, must not be in default on a Title IV

student loan received for attendance at any institution, and must not owe repayment of a Title IV grant received for attendance at any institution.

Statements of Educational Purpose and Selective Service Registration Status: The student must sign a Statement of Educational Purpose and a Statement of Selective Service Registration Status (the statement of registration status refers to the draft for the armed forces). These two statements are provided for signature on the Pell Grant Student Aid Report. However, equivalent statements may be signed on other documents and kept in the student's file.

Financial Aid Transcript: If the student has been enrolled at least half-time at other institutions, a properly signed Financial Aid Transcript or written notice from each school previously attended must be on file, unless the previous institution is not in the United States or has closed and the information concerning the student's Title IV financial aid assistance received at that institution is not available. A written notice is sent in place of a completed transcript when the previously attended institution is no longer required to keep the student's financial aid information, or when the previously attended institution participated in the Pell Grant Alternate Disbursement System and did not participate in the SEOG or Perkins Loan (NDSL) programs during the period in which the student was enrolled.

Under the *Alternate Disbursement System (ADS)*, ED made payments directly to students--the institution did not act as the disbursing agent. This disbursement system was discontinued in the 1987-88 award year.

NDSL is the former name of the Perkins Loan program.

10.2 PROGRAM-SPECIFIC REQUIREMENTS

The specific Pell Grant eligibility regulations are discussed below. They cover the following areas:

- ✧ undergraduate status
- ✧ duration of eligibility
- ✧ enrollment status
- ✧ submission of a valid SAR
- ✧ not a member of a religious order

10.2.1 Undergraduate Status

Pell Grants are limited to undergraduate students. As defined by Pell Grant regulations, an undergraduate is a student who has not yet received a baccalaureate or first professional degree. This eligibility restriction requires

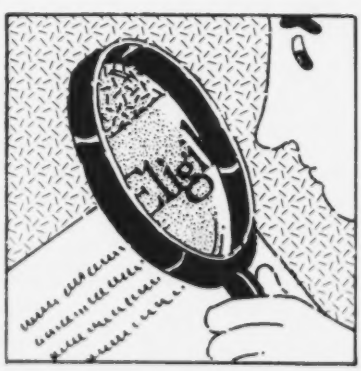
careful checking of applicants, because any student population may include students who have completed their first baccalaureate degree and are pursuing a second undergraduate degree.

An evaluation must be made of the degrees received by students who have attended foreign schools. Institutions must determine whether a degree received from a foreign institution is comparable to a baccalaureate degree.

Example 1

A student who has a B.A. degree in English returns to school to obtain another undergraduate B.A. degree in computer science. This student is not eligible for a Pell Grant, even though the student is taking courses on an undergraduate level and is seeking a degree. The Pell Grant program definition of an undergraduate specifies that the student must not already have an undergraduate degree.

10.2.2 Duration of Eligibility



Pell Grant recipients are subject to different rules depending on whether they received a Pell Grant before the 1987-88 award year. The different periods of eligibility are described below.

✦ **For Students Who Received a Pell Grant Prior to the 1987-88 Award Year:** The period of eligibility is based on the number of academic years a student is considered, under Pell Grant regulations, to be an undergraduate.

Length of undergraduate program	Student is eligible for payment of a Pell Grant:
1 to 5 years	until program requirements are satisfied, providing other eligibility requirements (including satisfactory academic progress) are met
6 or more years	only through the fourth academic year, providing other eligibility requirements (including satisfactory academic progress) are met

✦ **For Students Who Received a Pell Grant for the First Time In or After the 1987-88 Award Year:** The period of eligibility is based on the concept of full-time

equivalency, or FTE. The duration of a student's Pell Grant eligibility is limited to:

- ✧ the full-time equivalent of 5 academic years of study, if the student is enrolled in an undergraduate program of 4 years or less; or
- ✧ the full-time equivalent of 6 academic years, if the student is enrolled in an undergraduate program that requires more than 4 years of study to complete.

Some pharmacy, chiropractic, and osteopathic programs are 6 years or more in length and lead to a first degree.

Length of undergraduate program:	Years of FTE eligibility:
1 to 4 years	5.0 FTE
more than 4 years	6.0 FTE

Let's examine what this means to the financial aid administrator who must qualify a student for payment in each payment period.

Generally, aid administrators will need to know how much eligibility, if any, remains for each student. Although the Pell Grant processor tracks each student's use of Pell Grant awards, you need to understand the basis for students' remaining Pell Grant eligibility in order to provide a comprehensive financial aid counseling program for your student population. You will need to establish a system at your school for tracking each student's use of Pell Grant eligibility.

For a term-based academic program, to arrive at the total number of full-time equivalent years of eligibility which remain, the processor will use information submitted by the school about its programs. The processor will make calculations similar to the following:

Semester System: *2 terms of full-time attendance = 1.0 FTE*
1 semester (.5 year) at F/T attendance = .5 x 1.0 = .5 FTE
1 semester (.5 year) at 3/4T attendance = .5 x .75 = .375 FTE
1 semester (.5 year) at 1/2T attendance = .5 x .50 = .25 FTE

Quarter System: *3 terms of full-time attendance = 1.0 FTE*
Trimester System: *3 terms of full-time attendance = 1.0 FTE*
1 term (.33 year) at F/T attendance = .33 x 1.0 = .33 FTE
1 term (.33 year) at 3/4T attendance = .33 x .75 = .2475 FTE
1 term (.33 year) at 1/2T attendance = .33 x .50 = .165 FTE

If the program is a 4-year program, 5.0 FTEs are allowed for payment. For example, Sarah Brown is in the first year of a 4-year program. She attends half-time during the fall term and three-quarter-time during the spring term. Therefore, she has used .625 FTEs so far:

.25 FTE + .375 FTE = .625 FTE

Sarah has another 4.375 FTEs in remaining eligibility:

5.0 FTE - .625 FTE = 4.375 FTE

Do not confuse Pell Grant duration of eligibility requirements with satisfactory academic progress requirements:

- The Pell Grant ***duration of eligibility*** requirements are concerned with the *length of the program* in which the student is enrolled, *undergraduate status,* and the *number of years* that the student is considered eligible for a Pell Grant.

- The ***satisfactory academic progress*** requirement is concerned with the student's *rate of completion* of degree or certificate objectives.

10.2.3 Enrollment Status

Enrollment status is an important criterion in establishing student eligibility for a Pell Grant as well as the size of the grant.

- *At institutions that use semesters, trimesters, quarters, or other academic terms, and which measure progress by credit hours:* enrollment status equals a student's credit-hour courseload, categorized as either full-time, three-quarter-time, half-time, or less-than-half-time. Through the end of the 1988-89 award year, less-than-half-time students are not eligible for Pell Grants.

- *At clock-hour schools and schools using credit hours but not standard terms:* these schools must ensure that students meet the minimum half-time enrollment requirement (through the end of the 1988-89 award year), but they do not determine three-quarter or full-time enrollment status.

For students who are taking noncredit or reduced credit coursework, there are restrictions on how such courses may be applied in determining their enrollment status, as described in Module 6.

A student who fails an admissions testing requirement, but is nevertheless admitted to an eligible program, must take remedial courses or a remedial program not exceeding 1 year of study. Because the student has been admitted to the eligible program, he or she may receive a Pell Grant if all other eligibility requirements are met.

Pell Grant payments to a student are limited to the equivalent of 1 academic year of noncredit or reduced credit remedial work. However, there is an exception to the 1-year limitation--courses taken in English as a second language (ESL) are not counted against the 1-year limitation and may always be included in the determination of enrollment status.

10.2.4 Submission of a Valid Student Aid Report (SAR)

A valid SAR is a SAR on which all the information used in the calculation of the applicant's expected family contribution is accurate and complete and which has been verified where necessary.

Each year, the Department of Education publishes deadlines for the submission of a valid SAR to the institution in the *Federal Register* and in *The Student Guide: Five Federal Financial Aid Programs*. Submission of a valid SAR after the deadline will mean the student cannot receive payment. Generally, the student must submit a valid SAR while enrolled and eligible for payment, but no later than the end of the award year.

10.2.5 Not a Member of a Religious Order

A member of a religious order, society, community, agency, or organization is not eligible to receive a Pell Grant if that religious order has as a primary objective the promotion of ideals and beliefs regarding a Supreme Being *and* provides its members with subsistence support or has directed the member to pursue the course of study. In this situation, the Student Aid Index (SAI) is assumed to be at least 3,000, placing the student outside the eligible range for a Pell Grant.

THE APPLICATION PROCESS

The student application process for the Pell Grant program involves:

- the initial submission of an application to a Multiple Data Entry processor (*MDE processor*) or to the Federal Student Aid Application Processing Center (*central processor*)
- any resubmissions of correction documents to ED's central processor

10.3 APPLICATION FORMS

For further information on the Pell Grant application process, see Module 8, Need Analysis.

Students apply for a Pell Grant with a form approved by the Secretary of Education. This will be either ED's Application for Federal Student Aid (AFSA) form or an application form from one of the MDE processors as described in Module 8 (FAF, FFS, etc.). Normal processing time for these applications is 4 to 6 weeks. Between January and April, when processors receive the largest number of applications, the processing time will be closer to 6 weeks.

Let's review several important points about the different types of application forms:

- A *Multiple Data Entry application form* will satisfy two needs. The MDE processor will produce a need analysis report with an official SAI and FC and will also forward the application data to ED's central processor. An institution may make a first Pell Grant disbursement to an eligible student based on the SAI which appears on the MDE output document. However, the institution must then obtain a valid SAR from the student or it will be liable for any payment made. Students must pay a fee to use an MDE processor.
- The *Application for Federal Student Aid (AFSA)* is mailed directly to ED's central processor. This application contains all the necessary information for determining the Pell Grant Student Aid Index (SAI) for the student and for calculating the

expected family/student contribution (FC) with the Congressional Methodology formula. In addition to the Pell Grant SAI, the Student Aid Report (SAR) will show an FC at the bottom of Part 1 which may be used by the aid administrator in packaging campus-based aid and in certifying Stafford Loan applications. The AFSA is processed free of charge.

- ✧ The *AFSA Correction Application* must be used *instead of* the regular AFSA if you need to override the student's dependency status.

- The *Special Condition Application* is no longer in use.
- For more information on the *AFSA Correction Application* and dependency override procedures, see Appendix C of Module 8.

10.4 THE STUDENT AID REPORT (SAR)

A Pell Grant applicant's Student Aid Report (SAR) is mailed directly to his or her home. If the SAR shows eligibility for a Pell Grant, the student may now carry or mail the SAR to the institution. Because students may submit SARs to the institutions of their choice, Pell Grants are said to be "portable."

The SAR for an eligible student consists of three separate forms: the Information Summary, the Information Review Form (or Information Request Form for rejected applicants) and the Payment Document.* *All three* must be delivered to the aid office. A sample SAR is shown on pages 11-12 and 16-21 of this module.

*Parts of this discussion may not apply to Student Aid Reports generated by electronic processing through the Pell Electronic Data Exchange (see below).

If the student did not supply complete information, or if the Pell processor found some of the information to be inconsistent or questionable, the student will receive a two-part form. Part 1 will explain that further information is needed to process the application. Instead of receiving the Information Review Form, the student will receive an Information Request Form. In most instances, the student must complete this and mail it back for reprocessing.

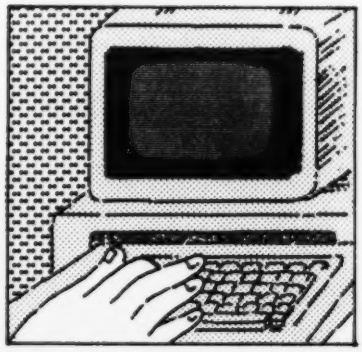
A student will be issued a Void SAR in cases where the original application was seriously in error--for instance, when a dependent student failed to supply parental financial information. Void SARs are also issued to students who submit applications before or after the published processing dates.

If the student's SAI is too high, the student is not eligible for a Pell Grant. In this case, the student will receive a

SAR with the Information Summary and Information Review Forms, but not a Payment Document.

Pell Electronic Data Exchange

The Pell Electronic Data Exchange (PEDE) allows financial aid administrators to receive SAR data and make corrections to the SAR by computer. Participating schools have computer terminals that communicate electronically via a network with the Federal Student Aid Application Processing Center (the *central processor*) or with an organization that has a contract to transmit application data to the federal processing center. The electronic data exchange provides institutions with a rapid means of obtaining a SAR, submitting corrections, and transmitting payment data. For the past few years, institutions have participated in the exchange on a voluntary cost-sharing basis. With continued success, electronic processing could develop as an alternative to current processing methods.



The PEDE documents produced by a participating institution will contain the same information that is usually reported on the SAR Parts 1 and 2. Because payment information is submitted electronically, Payment Documents are not generated by the PEDE system.

10.4.1 SAR Part 1 - Information Summary

The SAR Part 1 - Information Summary serves two functions:

- ✧ it informs students whether they may be eligible for a Pell Grant;
- ✧ it becomes a permanent record in eligible students' financial aid files. The school may also keep the SAR Part 1, for an ineligible student, because proof of eligibility or ineligibility for a Pell Grant is required for Stafford, SLS, and Perkins loan applicants.

The Information Summary notifies the student whether he or she may be eligible for a Pell Grant and becomes a permanent record in the student's financial aid file.

Side 1 of the Information Summary for an *eligible* student includes the following important items:

- ✧ the Student Aid Index (SAI), a number* used to determine the amount of the Pell Grant for attendance at a given institution.
- ✧ an outlined box in the lower right-hand corner which contains the FC derived by the Congressional Methodology (CM).
- ✧ instructions to the student to check all of the data elements on Side 2 of the Information Summary to see if all the information is correct. (If any elements

**Primary and Secondary SAI Numbers on the SAR*

A student who qualifies for the Simplified Needs Test formula, but who also provides the data on the Supplemental Data page in the AFSA or complete data on an MDE application form, may receive a SAR with two SAIs and two FCs. The SAI based on the Simplified Need Analysis formula is always considered the *primary* number. However, as the financial aid administrator, you may decide to use either the *primary* or the *secondary* SAI in awarding aid to the student, whichever SAI is warranted in the circumstances. See Module 8 for further information.

or assumptions made by the central processor are incorrect, the student is directed to make corrections to the data using Part 2 of the SAR, the Information Review Form, and mail it back to the central processor, which will issue a new, valid SAR.)

- ✧ verification requirements and instructions on how to proceed if the student has been selected for the *verification* process (see Module 13 for more information on verification).

- ✧ special comments to the applicant if the central processor had to make assumptions about data elements in order to compute the SAI.

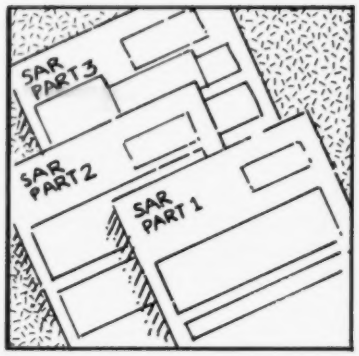
Side 2 of the Information Summary contains the following items:

- ✧ the data from the application that were used to determine the Student Aid Index (SAI).

- ✧ a box labeled "Student Use" with the Statement of Updated Information, the Statement of Educational Purpose, the Statement of Registration Status, and a warning to the student on the consequences of giving false or misleading information on the financial aid application.

If a student is *ineligible*, Side 1 of the Information Summary will contain:

- a message to the student regarding Pell Grant ineligibility.
- directions on how to use the enclosed Information Review Form if the data or assumptions on the Information Summary are not correct.



1988-89 Student Aid Report
Federal Student Aid Programs
Part 1 - Information Summary

OMB No. 1840-0132
Form Approved
Exp. 12-31-89

SAMPLE

IMPORTANT: DO NOT STAPLE, TEAR OR PAPER CLIP PART 3 OF THIS FORM

CASE BRIEF
483 JEFFERSON AVENUE
NEW YORK, NY 20784

March 14, 1988

A000,579B

SAI: 00000*

INSTRUCTIONS

This report is in response to the form you submitted to FSAP on which you applied for Federal Student Aid.

This Student Aid Report (SAR) has three parts. Part 1 is the Information Summary. Part 2 is the Information Review Form. Part 3 is the Payment Form that your school will use when calculating your award. Submit all 3 parts to the Financial Aid Office at your school immediately.

Be sure to review the items that are in boldface type on Part 2 of your SAR. If you make any corrections to this report, sign the Certification on the back and return the signed, corrected form to the Federal Student Aid Processing Center.

We had to make assumptions to figure out your Student Aid Index (SAI) and Family Contribution (FC). The assumptions we made are shown on the Information Review Form (Part 2 of your SAR). If these assumptions are incorrect, you cannot use this report to get Federal Student Aid. Make the appropriate corrections on the Review Form, sign the Certification on the back, and return the form to the Federal Student Aid Processing Center.

ELIGIBILITY

If the information on the back of this page is correct and you meet all other eligibility requirements, you may receive a Pell Grant in 1988-89. If you receive a Pell Grant, the amount of your award will depend on the cost of attendance at your school for a full academic year on a full time basis and on other factors.

If the information on the back of this page is not correct, use Part 2 of your SAR (Information Review Form) to change it. Follow the instructions on Part 2.

NOTE: You must complete Statements of Updated Information, Educational Purpose, Certification Statement on Refunds and Default, and Registration Status before you can receive any Federal financial aid.

VERIFICATION REQUIREMENTS

Your application has been selected for review in a process called verification. You must submit signed copies of your (and your spouse's) financial documents to your school. A verification worksheet is enclosed to assist you.

SPECIAL COMMENTS TO THE APPLICANT

You have reported a total income which appears to be unusually low. Review items 31, 34, 36, 37, and 39. If incorrect, make the appropriate corrections on Part 2 of your SAR, sign the Certification on the back, and return the form to the Federal Student Aid Processing Center.

R4EIY 579 000000000 B D L L I 999-99-2211 BR 01 FC 1200*
AF O ; EF O ; FS 5300 ; ME ; EE O ; DI 5300-; CI O ; BA
HA ; CA ; TC ; AC ; SC ; CS 999-99-2211BR-01

8/20/88

Ten-11

This section contains information from your application. Use the Information Review Form (Part 2 of your SAR) to correct this information. Do not make corrections on this page.

*** STUDENT'S INFORMATION ***	
1. BORN BEFORE 1-1-65?	YES
2. VETERAN OF U.S. ARMED FORCES?	
3. ORPHAN OR WARD OF COURT?	
4. HAVE DEPENDENTS OTHER THAN SPOUSE?	
5. PARENTS CLAIM AS EXEMPTION IN 1986?	
6. PARENTS CLAIM AS EXEMPTION IN 1987?	
7. PARENTS CLAIM AS EXEMPTION IN 1988?	NOT APPLICABLE
8. RESOURCES OF $4000 OR MORE IN 1985?	
9. RESOURCES OF $4000 OR MORE IN 1986?	
10. AID RECEIVED IN 1987-88?	
11. RESOURCES OF $4000 OR MORE IN 1986?	
12. RESOURCES OF $4000 OR MORE IN 1987?	
13. LAST NAME	BRIEF
14. FIRST NAME	CASE
15. MIDDLE INITIAL	
16. PERMANENT STREET ADDRESS | 483 JEFFERSON AVENUE	
17. CITY	NEW YORK
18. STATE	NY
19. ZIP CODE	20784
20. STATE OF LEGAL RESIDENCE	VA
21. DATE OF BIRTH (MM-DD-YY)	03-18-60
22. SOCIAL SECURITY NUMBER	999-99-2211
23. CITIZENSHIP STATUS	US CITIZEN
24. MARITAL STATUS	UNMARRIED
25. YEAR IN COLLEGE IN 1988-89	1ST
26. FIRST BACHELOR'S DEGREE BY 7-1-88?	NO
27. NUMBER OF FAMILY MEMBERS	(01 ASSUMED)
28. NUMBER IN COLLEGE IN 1988-89	(1 ASSUMED)
29. 1987 TAX RETURN STATUS	COMPLETED 1040A/EZ
30. EXEMPTIONS CLAIMED	03
31. INCOME FROM INCOME TAX FORM	$
32. U.S. INCOME TAX PAID	$
33. ITEMIZED DEDUCTIONS	$
34. STUDENT'S INCOME EARNED FROM WORK	$
35. SPOUSE'S INCOME EARNED FROM WORK	$
36. ANNUAL SOCIAL SECURITY BENEFITS	$
37. ANNUAL AFDC/ADC	$
38. ANNUAL CHILD SUPPORT RECEIVED	$
39. OTHER UNTAXED INCOME	$
40. MEDICAL/DENTAL EXPENSES	$
41. ELEM./JR. HIGH/SR. HIGH TUITION	$
42. TUITION PAID FOR HOW MANY CHILDREN?	
43. MONTHLY GI BILL VETERANS BENEFITS	$
44. GI BILL VETERANS BENEFIT MONTHS	
45. MONTHLY CONTRIB VETERANS BENEFITS	$
46. CONTRIB VETERANS BENEFIT MONTHS	
47. STUDENT/SPOUSE A DISLOCATED WORKER?	YES (NO ASSUMED)
48. STUDENT'S EXPECTED 1988 INCOME	$ NOT APPLICABLE
49. SPOUSE'S EXPECTED 1988 INCOME	$ NOT APPLICABLE
50. EXPECTED 1988 OTHER TAXABLE INCOME	$ NOT APPLICABLE

51. EXPECTED 1988 UNTAXED INCOME	NOT APPLICABLE
52. STUDENT/SPOUSE DISPLACED HOMEMAKER?	(NO ASSUMED)
53. CASH, SAVINGS, AND CHECKING	$
54. HOME VALUE	$
55. HOME DEBT	$
56. OTHER REAL ESTATE/INVESTMENT VALUE	$
57. OTHER REAL ESTATE/INVESTMENT DEBT	$
58. BUSINESS/FARM VALUE	$
59. BUSINESS/FARM DEBT	$
60. ASSETS INCLUDE A FARM?	(NO ASSUMED)
61. COLLEGE NAME	
62. COLLEGE CITY AND STATE	
63. SHOULD DATA BE RELEASED TO STATE?	
64. SHOULD DATA BE RELEASED TO COLLEGE?	
65. SIGNED BY	BOTH
66. DATE SIGNED	

*** PARENTS' INFORMATION ***	
67. MARITAL STATUS	
68. STATE OF LEGAL RESIDENCE	
69. NUMBER OF FAMILY MEMBERS	
70. NUMBER IN COLLEGE IN 1988-89	
71. 1987 TAX RETURN STATUS	
72. EXEMPTIONS CLAIMED	
73. INCOME FROM INCOME TAX FORM	
74. U.S. INCOME TAX PAID	
75. ITEMIZED DEDUCTIONS	
76. FATHER'S INCOME EARNED FROM WORK	
77. MOTHER'S INCOME EARNED FROM WORK	
78. ANNUAL SOCIAL SECURITY BENEFITS	
79. ANNUAL AFDC/ADC	
80. ANNUAL CHILD SUPPORT RECEIVED	
81. OTHER UNTAXED INCOME	
82. MEDICAL/DENTAL EXPENSES	
83. ELEM./JR. HIGH/SR. HIGH TUITION	
84. TUITION PAID FOR HOW MANY CHILDREN?	
85. EITHER PARENT A DISLOCATED WORKER?	
86. FATHER'S EXPECTED 1988 INCOME	
87. MOTHER'S EXPECTED 1988 INCOME	
88. EXPECTED 1988 OTHER TAXABLE INCOME	
89. EXPECTED 1988 UNTAXED INCOME	
90. EITHER PARENT DISPLACED HOMEMAKER?	
91. AGE OF OLDER PARENT	
92. CASH, SAVINGS, AND CHECKING	
93. HOME VALUE	
94. HOME DEBT	
95. OTHER REAL ESTATE/INVESTMENT VALUE	
96. OTHER REAL ESTATE/INVESTMENT DEBT	
97. BUSINESS/FARM VALUE	
98. BUSINESS/FARM DEBT	
99. ASSETS INCLUDE A FARM?	

Student's Use Box

999-99-2211 BR 01 00000▸

STATEMENT OF UPDATED INFORMATION

I certify that, as of the date I sign this statement, items 1 through 12, and either 27 and 28 (for independent students) or 69 and 70 (for dependent students), reflect any changes that have occurred since I applied other than any changes caused by a change in marital status.

STATEMENT OF EDUCATIONAL PURPOSE/ CERTIFICATION STATEMENT ON REFUNDS AND DEFAULT

I certify that I do not owe a refund on any grant, am not in default on any loan, and have not borrowed in excess of the loan limits, under the Title IV programs, at any institution. I will use all Title IV money received only for expenses related to my study at

_____
(Name of Institution)

STATEMENT OF REGISTRATION STATUS

____ I certify that I am registered with Selective Service.
____ I certify that I am not required to be registered with Selective Service, because:
____ I am female
____ I am in the armed services on active duty. (Note: Does not apply to members of the Reserves and National Guard who are not on active duty.)
____ I have not reached my 18th birthday.
____ I was born before 1961.
____ I am a citizen of the Federated States of Micronesia, the Marshall Islands or a permanent resident of the Trust Territory of the Pacific Islands (Palau).

_____ _____
(Student's Signature) (Date)

WARNING: To receive Title IV financial aid, items indicated in the Statement of Updated Information must be current information, you must complete the Statement of Educational Purpose/Certification Statement on Refunds and Default and you must be registered with Selective Service, if you are required to register. If you purposely give false or misleading information, you may be subject to a fine of up to $10,000, imprisonment for up to 5 years, or both.

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10.4.2 SAR Part 2 - Information Request Form

If the processor was unable to process the application because the data appeared to be in error or were incomplete, the student will receive a Part 2 - Information *Request* Form. The Information Request Form specifies items in boldface that may be in need of correction. Items in boldface represent edited data that have been selected for probable error or data items for which the processor was given incomplete information on the original application. These items must be corrected or confirmed, and the form must be returned to the processor.

There are two forms of Part 2 of the SAR--the *Information **Request** Form* and *Information **Review** Form*. Both provide for corrections:

- The Information Request Form *must* be resubmitted to the Federal Student Aid Application Processing Center if there are corrections or clarifications to be made.
- The Information Review Form is returned to the Pell Grant processor *only* if a correction is needed.

Unlike the Part 2 - Information Review Form, the Information Request Form must *always* be reprocessed. It does not include a "School Use" box since no recalculations or adjustments can be made for students who supplied incomplete data.

Side 2 of either Part 2 form provides a *certification* section. The student (and parent, if the student is dependent) must sign the certification only if changes are made. If either form is returned to the processor, a new SAR will be sent to an eligible student. Once there are no more corrections to be submitted, an eligible student should deliver the final 3-part SAR to the aid office for payment processing.

Q. What is my role, as an aid administrator, in dealing with the SAR Part 2 - Information Request Form?

A. In principle, it is the student's sole responsibility to provide the requested information and mail the form to the Pell Grant processor. In practice, however, students may often need your help in completing the Information Request Form.

10.4.3 SAR Part 2 - Information Review Form

The SAR Part 2 - Information *Review* Form is sent to a student whose application processing has been completed by the Federal Student Aid Application Processing Center. Here the student is simply asked to review the information and to make corrections next to each entry if necessary. If the form does not need correction, the student is instructed to take all parts of the SAR to the financial aid office.

Corrections Initiated by the Student

If the student has made corrections, he or she (and the parent and spouse, if applicable) must sign the Certification Statement on Part 2, Side 2 of the Information Review Form and mail the form back to the central processor, which will produce a new, valid SAR. Under these circumstances, the aid administrator does not have to sign the form.

Corrections of incorrect data on the SAR are commonly referred to as *history corrections*.

Incorrect Data and SAI Recalculation

If (1) the aid administrator discovers *conflicting data* while processing the SAR, or (2) the applicant has been selected for verification and *errors in data elements* are discovered during the *verification* process, the aid administrator must ensure that the SAR Part 2 is corrected so that the central processor can issue a new, valid SAR. While this is being done, the aid administrator has two options:

✦ **Withhold Payment Until the New, Valid SAR is Submitted:** The aid administrator may return Part 2 of the Student Aid Report to the student for correction of the incorrect data elements. The student must then mail the corrected Part 2 to the central processor for recalculation of the SAI and FC. The student will receive a new, valid SAR and must resubmit it to the financial aid office for payment.

✦ **Recalculate* the SAI and Make an Initial Payment:** The aid administrator may recalculate the student's SAI upon receipt of an official SAI and the application information on an RDE full data tape, on a SAR, or from an MDE. The *initial* Pell Grant disbursement for the first payment period can now be made, based on the recalculated SAI. If you choose this method, remember these important points:

- ✧ *You must report the corrected data elements and the recalculated SAI to the central processor so that it can issue a new, valid SAR.* The corrected information is reported on Part 2 of the SAR, and the recalculated SAI is entered in the first section of the "School Use" box. (See the second page of Appendix C for an illustration of how to complete the "School Use" box.)

- ✧ A second Pell Grant disbursement may not be made to the student until the new, valid SAR is received by the school.

- ✧ If an SAI is recalculated based on an RDE full applicant data tape, the aid administrator may not return the tape with corrections to the central processor, but must wait until the student submits the SAR to the institution. Corrections are then made on Part 2 of the SAR, which is sent back to the central processor to produce a new SAR with a valid SAI.

**Recalculation* of the SAI based on corrected data can be performed by the aid administrator, as described here, for both eligible and ineligible students.

The aid administrator may not make *further* Pell Grant disbursements to the student until the new, valid SAR based on the correct information has been submitted to the financial aid office. If disbursements are made before receiving a new SAR, the institution will be liable for any overpayment.

All corrections to the student's application data, whether initiated by the financial aid administrator or the student, must be sent to the central processor.

- Recalculations may *not* be based on a rejected SAR, or on an estimated SAI from an MDE processor or another need analysis service.

- *Confirmation Reports* will be sent on a monthly basis to your institution if you reported recalculations during the previous month. You must review the report and resolve any discrepancies between the SAI you calculated and that calculated by the central processor. Your institution is liable for any overpayments based on an incorrect recalculation of the SAI.

When processing of the Pell Grant is completed, the school should return the Information Review Form to the student. This form becomes the student's personal copy of the information.

Confirmation Reports will show the recalculations by your institution and the SAI recalculated by the central processor, and indicate any discrepancies.

Look at Sides 1 and 2 of Part 2 of the sample SAR on the following pages. We have provided both an Information Request Form and an Information Review Form. On the Information Review Form, note the sections for the student marked "If You Made No Changes," "If You Made Changes," and "If You Need Another Copy" (see page 19).

10.4.4 SAR Part 3 - Pell Grant Payment Document

The Payment Document is not completed by the student; it is a reporting document for the institution. The eligible student must deliver Part 3 to the financial aid office along with Parts 1 and 2 of the SAR.

The Payment Document is for the school's use and is a reporting document to be sent to the Department of Education.

Review the sample Part 3 included in the following pages. Note that space is provided on Side 2 of Part 3 for the institution to report disbursement data and the information on which the disbursements are based, such as enrollment status, cost of attendance, and academic calendar.

Payment Documents will be discussed in detail in Module 14, Authorization, Fiscal Operations, and Reporting.

For further information on the use of the SAR Part 3, see Module 14, Authorization, Fiscal Operations, and Reporting.

1988-89 Student Aid Report
Federal Student Aid Programs
Part 2 - Information Request Form

OMB No. 1840-0132
Form Approved
Exp. 12-31-89

Processed: 03-16-88

Be sure to read the instructions below and check each item carefully.

- You must respond to ALL items in **BOLDFACE TYPE** before we can process your form.
- Look for brackets [ ] in the "Correct?" column. We had problems with these items.
  - If the information in "You told us" is correct, put a check in the brackets which appear in the "Correct?" column.
  - If the information is wrong, correct it in the "The answer should be" column.
- Look for arrows ----> in the "Correct?" column. Your answer was unacceptable for the items. For these, give us a new answer in the "The answer should be" column.
- Send only this page to make corrections. **Do not attach tax or any other forms.**

999-99-2294CH-01

We asked for	You told us	Correct?	The answer should be
A. Student's Status	CHOW, HOUND		
1. Born Before 1-1-65?	NO		1 ☐ Yes ☐ No
2. Veteran of U.S. Armed Forces?	YES		2 ☐ Yes ☐ No
3. Orphan or Ward of Court?	NO		3 ☐ Yes ☐ No
4. Have Dependents Other Than Spouse?	NO		4 ☐ Yes ☐ No
5. Parents Claim As Exemption in 1986?			5 ☐ Yes ☐ No
6. Parents Claim As Exemption in 1987?			6 ☐ Yes ☐ No
7. Parents Claim As Exemption in 1988?			7 ☐ Yes ☐ No
8. Resources of $4000 or More in 1985?			8 ☐ Yes ☐ No
9. Resources of $4000 or More in 1986?			9 ☐ Yes ☐ No
10. Aid Received in 1987-88?			10 ☐ Yes ☐ No
11. Resources of $4000 or More in 1986?			11 ☐ Yes ☐ No
12. Resources of $4000 or More in 1987?			12 ☐ Yes ☐ No
B. Student's Information			
13. Last Name	CHOW		13
14. First Name	HOUND		14
15. Middle Initial			15
16. Permanent Street Address	457 COLUMBIA DRIVE		16
17. City	ARLINGTON		17
18. State	IL		18
19. Zip Code	20008		19
20. State of Legal Residence	DC		20
21. Date of Birth (MM-DD-YY)	07-22-66		21 - -
22. Social Security Number	999-99-2294		22 - -
23. Citizenship Status	US CITIZEN		23
24. Marital Status	SEPARATED		24
25. Year in College in 1988-89?	1ST		25
26. First Bachelor's Degree by 7-1-88?	NO		26 ☐ Yes ☐ No
C. Student's (Spouse's) Household Information			
27. NUMBER OF FAMILY MEMBERS		---->	27
28. NUMBER IN COLLEGE IN 1988-89	(BLANK)	[ ]	28
D. Student's 1987 Income, Deductions, and Benefits			
29. 1987 Tax Return Status	COMPLETED 1040A/EZ		29
30. EXEMPTIONS CLAIMED	03	[ ]	30
31. INCOME FROM INCOME TAX FORM	$ 0	[ ]	31 $ .00
32. U.S. INCOME TAX PAID	$ (BLANK)	[ ]	32 $ .00
33. Itemized Deductions	$ 0		33 $ .00
34. STUDENT'S INCOME EARNED FROM WORK	$ 20,000	[ ]	34 $ .00
35. SPOUSE'S INCOME EARNED FROM WORK	$ 0	[ ]	35 $ .00
36. ANNUAL SOCIAL SECURITY BENEFITS	$ (BLANK)	[ ]	36 $ .00
37. ANNUAL AFDC/ADC	$ (BLANK)	[ ]	37 $ .00
38. ANNUAL CHILD SUPPORT RECEIVED	$ (BLANK)	[ ]	38 $ .00
39. OTHER UNTAXED INCOME	$ (BLANK)	[ ]	39 $ .00

R2RIN 253 000000000 B 0 Y C 999-99-2294 CH 01 FC
AF ; EF ; FS ; ME ; EE ; DI ; CI ; BA
HA ; CA ; TC ; AC ; SC ; CS 999-99-2294CH-01

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We asked for	You told us	Correct?	The answer should be

E. Student's Expenses

40. Medical/Dental Expenses	$		40	$ .00
41. Elem./Jr. High/Sr. High Tuition	$		41	$ .00
42. Tuition Paid For How Many Children?			42	

F. Student's Veterans Benefits

43. Monthly GI Bill Veterans Benefits	$		43	$ .00
44. GI Bill Veterans Benefit Months			44	
45. Monthly Contrib Veterans Benefits	$ 200		45	$ .00
46. Contrib Veterans Benefit Months	12		46	

G. Student's Expected 1988 Income and Benefits (Dislocated Workers Only)

47. Student/Spouse a Dislocated Worker?			47	☐ Yes ☐ No
48. Student's Expected 1988 Income	$ NOT APPLICABLE		48	$ .00
49. Spouse's Expected 1988 Income	$ NOT APPLICABLE		49	$ .00
50. Expected 1988 Other Taxable Income	$ NOT APPLICABLE		50	$ .00
51. Expected 1988 Untaxed Income	$ NOT APPLICABLE		51	$ .00

H. Student's Asset Information

52. Student/Spouse Displaced Homemaker?			52	☐ Yes ☐ No
53. Cash, Savings, and Checking	$		53	$ .00
54. Home Value	$		54	$ .00
55. Home Debt	$		55	$ .00
56. Other Real Estate/Investment Value	$		56	$ .00
57. Other Real Estate/Investment Debt	$		57	$ .00
58. Business/Farm Value	$		58	$ .00
59. Business/Farm Debt	$		59	$ .00
60. Assets Include a Farm?			60	☐ Yes ☐ No

I. College Release and Certification

61. College Name			61	
62. College City and State			62	
63. Should Data Be Released to State?	YES		63	DO NOT CHANGE
64. Should Data Be Released to College?	YES		64	DO NOT CHANGE
65. Signed by	BOTH		65	DO NOT CHANGE
66. Date Signed	JANUARY 1, 1988		66	DO NOT CHANGE

999-99-2294 CH 01

You must read this certification and sign below.

CERTIFICATION

All of the information on this SAR is true and complete to the best of my knowledge or in accordance with any adjustments, if made to the information by my financial aid administrator. If I am asked, I agree to give proof that my information is correct. This proof might include a copy of the 1987 U.S. Income Tax Form filed by me or my family. I understand that if I purposely give false or misleading information on this SAR, I may be subject to a $10,000 fine, a prison sentence, or both.

STUDENT_____DATE_____

SPOUSE_____DATE_____

Send this form to:

Federal Student Aid
Processing Center
P.O. Box 4152
Iowa City, IA 52244

1988-89 Student Aid Report
Federal Student Aid Programs
Part 2 - Information Review Form

OMB No. 1840-0132
Form Approved
Exp. 12-31-89

Processed: 03-14-88
SAI: 00000*

Be sure to read the certification on the back of the following page. Do so now.
- Pay special attention to items in **BOLDFACE TYPE**; they may need to be corrected.
- To correct an item, print the correct answer under the column marked "The answer should be".
- Send only this page to make corrections. **Do not attach tax or any other forms.**

SAMPLE

999-99-2211BR-01

We asked for	You told us		The answer should be

A. Student's Status

BRIEF, CASE

1. Born Before 1-1-65?	YES	1	☐ Yes ☐ No
2. Veteran Of U.S. Armed Forces?		2	☐ Yes ☐ No
3. Orphan Or Ward Of Court?		3	☐ Yes ☐ No
4. Have Dependents Other Than Spouse?		4	☐ Yes ☐ No
5. Parents Claim As Exemption In 1986?		5	☐ Yes ☐ No
6. Parents Claim As Exemption In 1987?		6	☐ Yes ☐ No
7. Parents Claim As Exemption In 1988?	NOT APPLICABLE	7	☐ Yes ☐ No
8. Resources of $4000 or More in 1985?		8	☐ Yes ☐ No
9. Resources of $4000 or More in 1986?		9	☐ Yes ☐ No
10. Aid Received in 1987-88?		10	☐ Yes ☐ No
11. Resources of $4000 or More in 1986?		11	☐ Yes ☐ No
12. Resources of $4000 or More in 1987?		12	☐ Yes ☐ No

B. Student's Information

13. Last Name	BRIEF	13	
14. First Name	CASE	14	
15. Middle Initial		15	
16. Permanent Street Address	483 JEFFERSON AVENUE	16	
17. City	NEW YORK	17	
18. State	NY	18	
19. Zip Code	20784	19	
20. State of Legal Residence	VA	20	
21. Date of Birth (MM-DD-YY)	03-18-60	21	- -
22. Social Security Number	999-99-2211	22	- -
23. Citizenship Status	US CITIZEN	23	
24. Marital Status	UNMARRIED	24	
25. Year in College in 1988-89	1ST	25	
26. First Bachelor's Degree by 7-1-88?	NO	26	☐ Yes ☐ No

C. Student's (Spouse's) Household Information

27. NUMBER OF FAMILY MEMBERS	(01 ASSUMED)	27	
28. NUMBER IN COLLEGE IN 1988-89	(1 ASSUMED)	28	

D. Student's 1987 Income, Deductions, and Benefits

29. 1987 Tax Return Status	COMPLETED 1040A/EZ	29	
30. Exemptions Claimed	02	30	
31. INCOME FROM INCOME TAX FORM	$	31	$ .00
32. U.S. Income Tax Paid	$	32	$ .00
33. Itemized Deductions	$	33	$ .00
34. STUDENT'S INCOME EARNED FROM WORK	$	34	$ .00
35. Spouse's Income Earned from Work	$	35	$ .00
36. ANNUAL SOCIAL SECURITY BENEFITS	$	36	$ .00
37. ANNUAL AFDC/ADC	$	37	$ .00
38. ANNUAL CHILD SUPPORT RECEIVED	$	38	$ .00
39. OTHER UNTAXED INCOME	$	39	$ .00

R4EIY 579 000000000 B O L L I 999-99-2211 BR 01 FC 1200*
AF 0 ; EF 0 ; FS 5300 ; ME ; EE 0 ; DI 5300-; CI 0 ; BA
HA ; CA ; TC - ; AC ; SC ; CS 999-99-2211BR-01

We asked for	You told us		The answer should be

E. Student's Expenses

40. Medical/Dental Expenses	$	40	$ .00
41. Elem./Jr. High/Sr. High Tuition	$	41	$ .00
42. Tuition Paid For How Many Children?		42	

F. Student's Veterans Benefits

43. Monthly GI Bill Veterans Benefits	$	43	$ .00
44. GI Bill Veterans Benefit Months		44	
45. Monthly Contrib Veterans Benefits	$	45	$ .00
46. Contrib Veterans Benefit Months		46	

G. Student's Expected 1988 Income and Benefits (Dislocated Workers Only)

47. **STUDENT/SPOUSE A DISLOCATED WORKER?**	**YES (NO ASSUMED)**	47	☐ Yes ☐ No
48. Student's Expected 1988 Income	$ NOT APPLICABLE	48	$ .00
49. Spouse's Expected 1988 Income	$ NOT APPLICABLE	49	$ .00
50. Expected 1988 Other Taxable Income	$ NOT APPLICABLE	50	$ .00
51. Expected 1988 Untaxed Income	$ NOT APPLICABLE	51	$ .00

H. Student's Asset Information

52. **STUDENT/SPOUSE DISPLACED HOMEMAKER?**	**(NO ASSUMED)**	52	☐ Yes ☐ No
53. Cash, Savings, and Checking	$	53	$ .00
54. Home Value	$	54	$ .00
55. Home Debt	$	55	$ .00
56. Other Real Estate/Investment Value	$	56	$ .00
57. Other Real Estate/Investment Debt	$	57	$ .00
58. Business/Farm Value	$	58	$ .00
59. Business/Farm Debt	$	59	$ .00
60. **ASSETS INCLUDE A FARM?**	**(NO ASSUMED)**	60	☐ Yes ☐ No

I. College Release and Certification

61. College Name		61	
62. College City and State		62	
63. **SHOULD DATA BE RELEASED TO STATE?**		63	
64. **SHOULD DATA BE RELEASED TO COLLEGE?**		64	
65. Signed by	BOTH	65	DO NOT CHANGE
66. **DATE SIGNED**		66	

IF YOU MADE NO CHANGES

- complete the STUDENT'S USE BOX on Part 1 of your SAR
- take all parts of your SAR to your school

IF YOU NEED ANOTHER COPY

- write to: Federal Student Aid Processing Center, P.O. Box 4184, Iowa City, IA 52244
- include your name and social security number

IF YOU MADE CHANGES

- sign the statement to the right
- send both pages of Part 2 to:

Federal Student Aid
Processing Center
P.O. Box 4152
Iowa City, IA 52244

CERTIFICATION

All of the information on this SAR is true and complete to the best of my knowledge or in accordance with any adjustments, if made to the information by my financial aid administrator. If I am asked, I agree to give proof that my information is correct. This proof might include a copy of the 1987 U.S. Income Tax Form filed by me or my family. I understand that if I purposely give false or misleading information on this SAR, I may be subject to a $10,000 fine, a prison sentence, or both.

STUDENT _____ DATE _____

SPOUSE _____ DATE _____

School Use Only SIMPLIFIED NEEDS TEST USED - SECONDARY NO.: SAI 00000/FC 01200 999-99-2211 BR 01 00000*

FAA Recalculated SAI [| | | |]

SAI Calculation Requested:
Projected Yr. Data ☐
Data Element Change ☐

Pell Inst. No [| | | | | |] FAA Signature _____

BEST COPY AVAILABLE

1988 - 89 Student Aid Report

Part 3 - Pell Grant Payment Document

— FOR SCHOOL USE ONLY —

Do not staple, tear or paper clip this form

— FOLD ONLY ALONG ORIGINAL FOLDS —

FORM APPROVED
OMB NO. 1840-0132
Expiration Date 12-31-89

CASE BRIEF
483 JEFFERSON AVENUE
NEW YORK NY 20784

SSN 999-99-2211
DOB 03-18-60
SAI 00000*

TRANSACTION 01
PROCESSED 03-14-88
SERIAL 579

COMMENTS REGARDING PAYMENT DATA:

SAMPLE

SCHOOL CERTIFICATION

I certify that payments to this student are correct according to Pell Grant Program regulations and statutes, instructions in the Student Financial Aid Handbook and the 1988-89 Payment Schedule.

I further certify that the student is making satisfactory academic progress in an eligible program, has signed a Statement of Updated Information, a Statement of Educational Purpose/Certification Statement on Refunds and Defaults, and a Statement of Registration Status (if required), and has provided any documents for verification (if required).

I believe that the data supplied by the student from which the Student Aid Report was produced, or adjusted by me, are accurate. I understand that my school is liable for incorrect payments made to the student and that if I knowingly make false or misleading statements on this report, I am subject to a fine of up to $10,000, imprisonment for up to 5 years, or both, under provisions of the United States Criminal Code (including 18 U.S.C. 1001).

SIGNED BY _____ DATE _____

SCHOOL NAME _____

CITY _____ STATE _____

EP-09133-208 321

Part 3 - Payment Document (to be completed by the school)

1 PELL INSTITUTION ID OF CAMPUS ATTENDED

Yes

2 ACADEMIC CALENDAR

- Credit hour (non-term)
- Quarter
- Semester
- Trimester
- Clock hour

3 COST OF ATTENDANCE (Dollars Only)

A Standard OR B Individual

4 VERIFICATION STATUS

- Not Selected
- Accurate
- Without documentation
- Tolerance
- Calculated
- Reprocessed
- Selected, not verified

Verification Worksheet Completed

- Yes

5 TERM BASED SCHOOLS ONLY

A Enrollment Status

- Full Time
- Half Time
- Three-quarter Time
- Other

CLOCK HOUR; NON-STANDARD TERM CREDIT HOUR SCHOOLS ONLY

B Hours expected to complete in all payment periods this award year

C Hours in school academic year

6 AMOUNT PAID TO DATE

- Recovery

7 REMAINING AMOUNT TO BE PAID

8 MONTHS IN WHICH REMAINING PAYMENTS WILL BE MADE

Number of months entered below

Jul	Jan
Aug	Feb
Sep	Mar
Oct	Apr
Nov	May
Dec	Jun

9 DATE ENROLLED THIS AWARD YEAR

8

198
198

Jul	Jan
Aug	Feb
Sep	Mar
Oct	Apr
Nov	May
Dec	Jun

10 FAA ADJUSTED SAI

- Parental Cont
- Formula
- Product
- Projected Yr. Data
- Data Element
- Secondary SAI Used

CASE BRIEF
483 JEFFERSON AVENUE
NEW YORK NY 30784

999992211 BR 01 0000*

MARK NO MARKS IN THIS BOX

999992211BR02180100002

10.4.5 Adjustments to the SAI

Financial aid administrators now have the authority to make *adjustments* to the student's data elements, the methodology of calculating the SAI, or directly to the product or end results. Adjustments are not the same as *recalculations*. An adjustment is made when data are correct but the aid administrator, using *professional judgment*, determines that the data, methodology, or end result of an SAI calculation should be changed to allow for the student's special circumstances. The five areas in which you may make SAI adjustments are:

- ✧ parental contribution
- ✧ formula
- ✧ product
- ✧ projected year data
- ✧ data element changes

The reason for any adjustment must be directly related to the special circumstances of the student and the justification must be documented in the student's financial aid file. Most adjustments need to be reported to the central processor as explained in Appendix C.

When you are considering whether to make adjustments, keep in mind the following points:

- ✧ adjustments must be made sparingly and on an individual basis;
- ✧ adjustments must be documented according to the student's special circumstances;
- ✧ adjustments must be based on accurate data; and
- ✧ if an adjustment is made under one methodology, an equivalent change should be made to the other methodology.*

Professional Judgment from a Federal Viewpoint

1. *Prudence:* Professional judgment gives the financial aid administrator much greater discretion over the total amount of federal dollars each student receives. We expect that aid administrators will use prudence and caution in exercising this discretion.

2. *Case-by-Case Review:* Professional judgment assumes a case-by-case review for those students whose costs or

An important distinction:

- *Recalculations* are computations of SAIs (EFCs) reflecting only *corrected* data, and these must be reported to the central processor.
- *Adjustments* permit an aid administrator to treat a student with special circumstances differently than the strict application of methodologies would allow. Adjustments can either increase or decrease an SAI or cost of attendance, based on the "special circumstances" of the student. Most adjustments must be reported to the central processor.

*If an adjustment is made to the SAI under the Pell Grant methodology, a comparable change must be made to the FC under the Congressional Methodology (CM), unless a justifiable reason for not doing so is documented.

EFCs are changed. A computer may assist the aid administrator in analyzing information to be used in making a professional judgment, but it cannot make the decision--professional judgment is a human activity.

3. *Second-Guessing:* Prudently exercised professional judgment will not be second-guessed by ED's program reviewers.

4. *Documentation:* The need for adequate documentation of professional judgment decisions cannot be overemphasized.

5. *National Standards:* Any national standards on professional judgment should be developed by the financial aid community itself. The NASFAA monograph *Professional Judgment in Need Analysis* is an important focal point for the development of national standards.

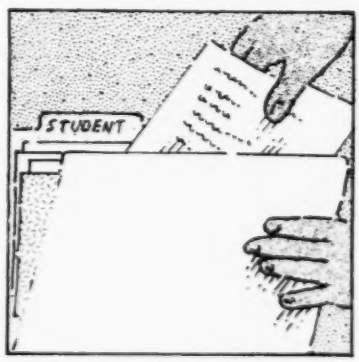
6. *Institutional Standards:* Each institution should develop a set of basic principles to ensure consistency among all aid administrators at the institution in making professional judgment decisions.

7. *Self-Policing:* Professional judgment improperly exercised can lead to program abuse. The financial aid community collectively must guard against this abuse.

8. *ED and Congressional Interest:* Both the Department of Education and Congress will be looking at how professional judgment is exercised and whether it turns out to be a useful tool.

10.5 PRELIMINARY REVIEW OF THE SAR

At some schools, the SAR is the first document concerning the student which reaches the aid office. If a student aid file has not already been set up for that student, it should be started at this point. If an institutional application is required, it too should be completed by the student. Institutional applications typically ask for information that is not on the SAR: for example, the program in which the student is enrolled, the degree sought, and institutions previously attended are items which affect eligibility. This information must be crosschecked with information available elsewhere within the institution.



As a preliminary step in processing, you will review the SAR for:

- ✧ submission of all three forms, Parts 1, 2, and 3 (Part 2 must not require further correction); and

- ✧ completion of the statements on Part 1 of the SAR or on other documents. These statements are often included on the institutional application because it may be administratively easier to obtain signatures at the beginning of the financial aid process.

Let's look at the student's certification statements on Side 2 of Part 1 (see page 12):

- ✧ Students must certify that the SAR items reporting dependency status, household size, and the number of family members in college remain accurate as of the date they submit the SAR to you.

- ✧ All students must sign a Statement of Educational Purpose/Certification Statement on Refund and Default.

- ✧ In principle, all students must complete the Statement of Registration Status.

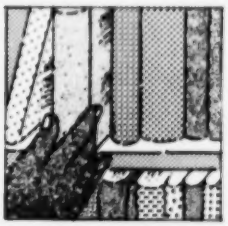
    - Current regulations give you the option of requiring this information of all students or of waiving this requirement for those students who do not need to register--for instance, women, or men who are not yet 18 or who were born before January 1, 1960. Males *must* sign when they reach the age of 18.

    - Once you have a signed Statement of Registration Status on file, you have the option of not requiring new Statements of Registration Status each award year if the student's status has not changed (this applies to females, males already registered, males born before January 1, 1960, and females, and males who are beginning their academic program before their 18th birthday). Males who reach 18 after they have signed the statement, but during the award year, do not have to sign a new statement for that award year--they may sign the next year's statement to reflect their status.

The school is liable for incorrect waivers of the registration status requirement.

In summary, the student must have provided you with all three parts of the SAR and signed the necessary certification statements on Part 1. The SAR must be returned to the student for completion if these statements are not signed, unless the school has the signed statement(s) on another document.

10.6 VERIFICATION OF THE SAR



Comprehensive instructions on the verification process are found in the *Verification Guide*.

Verification is a process used to determine the accuracy of the information used to calculate the Student Aid Index (SAI). If the applicant is selected for verification, the verification process must be completed before disbursement of Pell Grant funds, unless the institution elects to make a single first disbursement and accepts potential liability for the payment. Payments may need to be recovered from the student and restored to the Pell Grant account if the verification process detects errors affecting the SAI.

For the Pell Grant program, verification is required under the following conditions:

- ✧ if the Student Aid Index (SAI) has an asterisk next to it indicating that the Department of Education (ED) has selected the applicant for verification;
- ✧ if the institution has documents on file which show conflicting information; or
- ✧ if the institution believes the information is inaccurate.

If the SAI has an asterisk, verification calls for a careful review by the financial aid administrator of certain key items: adjusted gross income, federal income tax paid, and certain untaxed income and benefits. In some cases, independent student status, household size, and the number in postsecondary education must also be carefully reviewed. If you have conflicting documentation or believe that information is inaccurate, you must verify that information.

Verification often involves the examination of income tax returns. In the *Verification Guide*, ED has provided a list of the tax return items which must be compared with aid application data. You must also verify *any* items which appear conflicting and which may affect a student's award.

Conflicting documentation is not restricted to tax return information--it also refers to other records within your institution. Conflicting data in the student's aid file or in other institutional records may have an impact on student eligibility and such conflicts must always be resolved prior to payment of Title IV funds. For example, conflicting data could involve information on citizenship, dependency status, etc.

The verification process is complex. Module 13 deals exclusively with this topic.

For further information on Title IV verification, see Module 13.

10.7 CONFIRMATION OF STUDENT ELIGIBILITY

In addition to the review of application data, a student's eligibility must be confirmed by crosschecking your records against records held in other offices within your institution. For example, you should be certain of the student's admission to an approved program, *enrollment status*, and satisfactory academic progress. If the student is not a U.S. citizen, you must verify that the student is an eligible noncitizen. If any other office has a record of the student's attendance at other institutions, in most cases you will need a Financial Aid Transcript for the student from each of the other schools. Finally, the student must not be in default on a Title IV loan obtained for attendance at any school, or need to repay Title IV grant funds received for attendance at any school.

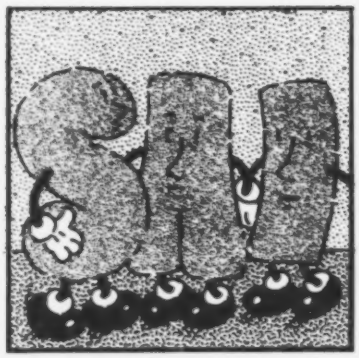
If an institution disburses a Pell Grant before a student attends classes, *enrollment status* must be checked twice--once to determine the disbursement, and a second time after classes have started to determine whether the student actually attended at a different enrollment status than was anticipated, or did not attend at all (see Section 10.18).

See 34 CFR 668.19 for exceptions to the Financial Aid Transcript requirement.

10.8 MAJOR FACTORS IN DETERMINING AN AWARD

After establishing and reviewing the student's eligibility as we have just described, the institution can determine and pay the Pell Grant award. The award will be based on the following:

- the Pell Grant Payment Schedule published by ED for the award year;
- the Student Aid Index (SAI);
- the Pell Grant cost of education for the student's program (covered in Module 7); and
- the Pell Grant regulations (34 CFR 690):
  - Subpart F--Determination of Pell Grant Awards;
  - Subpart G--Administration of Grant Payments.



Several terms that will be important in the discussion of Pell Grant awards are defined below.

Award Year: The period of time between July 1 of one calendar year and June 30 of the following calendar year (e.g. July 1, 1988 to June 30, 1989 for the 1988-89 award year).

Academic Year: The period of time in which a full-time student is expected to complete: (a) the equivalent of at least 2 semesters, 2 trimesters, or 3 quarters in a program using credit hours and standard terms; (b) at least 24 semester hours or 36 quarter hours in a nonterm, credit-hour program; or (c) at least 900 clock hours in a program using clock hours.

The institution should keep on file a written definition of its academic year for each of the programs for which Title IV funds are received.

Q. What period of time does an academic year actually cover?

A. In term-based programs, 2 semesters, 2 trimesters, or 3 quarters are usually scheduled over a 9-month period. In schools using clock hours, the academic year of at least 900 clock hours may be scheduled in different ways. The following are examples:

*Program A: A 900-hour academic year is scheduled to be taken at 25 hours per week (36 weeks).**

*Program B: A 900-hour academic year is scheduled to be taken at 40 hours per week (22.5 weeks).**

*Program C: A 1000-hour academic year is scheduled to be taken at 24 hours per week (42 weeks).**

*Note: During an award year (July 1 to June 30), a student is permitted to receive only one scheduled Pell Grant. This is true even if the student completes one academic year and begins another within the period July 1 to June 30. See Section 10.14 for an example of crossover payment periods.

Payment Period: A defined length of time within which financial aid funds will be disbursed to a student. For programs using academic terms, the payment period is the term itself (e.g. Fall or Spring semester). Programs not using academic terms must have at least two payment periods in an academic year. Even if a program is shorter than an academic year, there must be at least two payment periods (for example, the first payment period may be the period in which a student completes the first half of the program). The institution may have more than two payment periods in its academic year if it chooses to do so.

The institution must keep on file a written definition of the payment period used for each educational program. For further information on Pell Grant payment periods, see *The Federal Student Financial Aid Handbook*, Chapter 4.

Refer to *The Federal Student Financial Aid Handbook*, Chapter 4, for further information on Pell Grant payment periods.

Cost of Attendance: The total of allowable tuition and fees, plus appropriate allowances for room and board, books, supplies, miscellaneous expenses, child care, and handicapped students (if applicable) for a particular program for an academic year. Module 7 defined allowable costs for the Pell Grant cost of attendance and gave exercises in calculating this figure. If you did not study Module 7, or need to refresh your memory, you are advised to review that module. An understanding of the Pell Grant cost of attendance will be assumed in this module.

For instructions on calculating the cost of attendance (cost of education), please refer to Module 7.

Scheduled Pell Grant (Scheduled Award): The maximum amount which would be paid to a full-time student who attends the institution for a full academic year. Total Pell Grant disbursements to a student during the award year (July 1 to June 30) may not exceed this amount. The Scheduled Pell Grant is sometimes referred to as the scheduled award. It is based on the Student Aid Index and the total allowable cost of attendance and is determined from the full-time Payment Schedule.

Expected Disbursement: The total Pell Grant payments the student is actually expected to receive during an award year. If the aid administrator has no reason to assume a change in enrollment status during the award year, the expected disbursement may be determined by projecting current enrollment status for future payment periods.

Disbursement or Payment for a Payment Period: The portion of a Scheduled Pell Grant which is disbursed during a payment period.

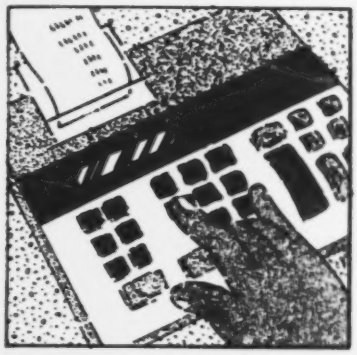
10.9 THE PAYMENT AND DISBURSEMENT SCHEDULES

Congress makes an annual appropriation for the Pell Grant program. The Department of Education sends the Payment and Disbursement Schedules to schools by February 1. For the 1988-89 award year, the minimum grant is $100 and the maximum is $2,200. Appendix A contains sample Pell Grant Payment and Disbursement Schedules for 1988-89 that will be used for cases and examples in this module.

Turn to Appendix A and note the following:

- There are 3 separate charts, with two pages for each enrollment status: full-time, 3/4-time, and 1/2-time.
- The first vertical column lists costs of education in increments of $100.
- The top row lists Student Aid Index (SAI) ranges.

10.10 DETERMINING A SCHEDULED PELL GRANT



The Scheduled Pell Grant is the amount payable to a student if he or she attends for a *full academic year during the award year* at *full-time enrollment status.* Computation of this figure is critical--total payments to a student within an award year may not exceed this limit.

To determine the Scheduled Pell Grant, use the *full-time Payment Schedule.* Using the left-hand column, find the

student's cost of education range, based on your institution's figures. Next, read the top row of SAI ranges and find the one that includes the student's SAI. Locate the intersection of the cost of education and the SAI--this is the student's Scheduled Pell Grant.

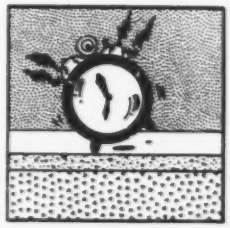
In many cases, the Scheduled Pell Grant represents an amount that the student will actually receive. In other cases, where the student does not attend for the full academic year or does not consistently attend at full-time status, the total of actual payments to the student will be less than the Scheduled Pell Grant.

Pell Grant Full-Time Payment Schedule

	0 TO 0	1 TO 100	101 TO 200	201 TO 300
Cost of Education				
2000-2099	1230	1230	1230	1230
2100-2199	1290	1290	1290	1290
2200-2299	1350	1350	1350	1350
2300-2399	1410	1410	1410	1410

10.11 DETERMINING AN EXPECTED DISBURSEMENT

The expected disbursement is the sum of all expected Pell Grant payments to a student during an award year. This will reflect the student's actual enrollment status (which may be less than full-time), and any planned changes in it during the award year. It will also reflect any plans to attend for less than a full academic year. *The expected disbursement may differ from a Scheduled Pell Grant* because it represents what the institution expects to disburse, not what the student could receive as a maximum grant. However, if the institution believes that a student will maintain full-time enrollment for the full academic year, the student's expected disbursement will equal the Scheduled Pell Grant.



The *expected disbursement* may differ from the Scheduled Pell Grant.

The methods used to determine an expected disbursement differ according to the two types of programs:

- *term-based* programs, which use traditional academic terms such as semesters, trimesters, or quarters, and measure progress in credit hours
- *nonterm* programs, which measure progress in clock hours or in credit hours, but which do not have academic terms

For *term-based* programs, the aid administrator will use *both* the full-time Payment Schedule and part-time Disbursement Schedules, and will project an award year's total disbursement based on each student's expected enrollment status for each term. Unless you know that a student will change enrollment status, or will not attend for the full year, the projected enrollment status is based

on a continuation of the student's present enrollment status.

For *nonterm* credit-hour or clock-hour programs, you will use only the full-time Payment Schedule and a formula to determine the expected disbursement. You will *never* use part-time Disbursement Schedules.

Clock hour--the equivalent of:
- a 50- to 60-minute class, lecture, or recitation; or
- a 50- to 60-minute faculty-supervised laboratory, shop training, or internship.

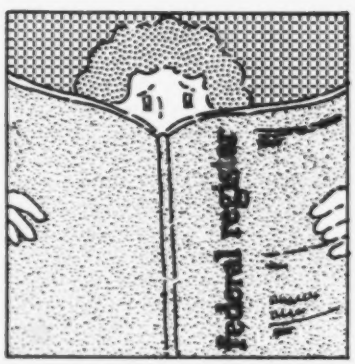
Determining payments to students can become very complicated when additional factors enter the picture--factors such as correspondence study, mini-sessions, overlapping terms, remedial coursework, etc. The *Federal Student Financial Aid Handbook* discusses these situations as well as the more common ones we will discuss here. Be sure to use this federal guide whenever you have questions. If you are working at a school which offers programs through correspondence study, be sure to read section 690.66 of the Pell Grant regulations in the *Federal Register*. This section gives specific instructions on the determination of payment periods and the timing of payments to students in correspondence study programs.

Refer to the *Federal Student Financial Aid Handbook* and the *Federal Register*.

10.12 TERM-BASED PROGRAMS

This section will present examples of the procedures for determining awards for term-based programs. Using the full-time Payment Schedule, you will determine Scheduled Pell Grants and compute payments for full-time students. Using the part-time Disbursement Schedules, you will compute payments for part-time students.

To begin, look closely at the Payment and Disbursement Schedules in Appendix A. By consulting the row containing the appropriate cost of education and the column containing the student's SAI, you can determine the amount of Pell Grant funds that a student is eligible to receive if he or she attends for the full academic year at full-time, 3/4-, or 1/2-time status. This figure is referred to in the regulations as the *annual award* and would be the expected disbursement for a student *attending at a given enrollment status for the full academic year.*



To familiarize you with procedures for term-based programs, we will work through actual examples using the Payment and Disbursement Schedules to determine the Scheduled Pell Grant, the payments for a payment period, and the expected disbursement.

Example 4: Term-Based Program, Full-Time Student Enrolled for Full Academic Year within the Award Year.

Maria Ruiz has registered for full-time attendance for the Fall term in a semester school. In this example, we'll assume that she will not change her enrollment status during the award year. Her cost of education is $2,125. Her SAI is 178. The program uses the semester system so there will be 2 payment periods.

To determine Maria's Scheduled Pell Grant:

Step 1. Turn to the full-time Payment Schedule.

Step 2. Locate Maria's cost of education ($2,125).

Step 3. Locate her SAI (178).

Step 4. Find the intersection of these two figures--$1,290.

This is Maria's Scheduled Pell Grant. It is the maximum Pell Grant amount she can receive with her particular SAI and cost of education. If she changed schools or programs, thereby changing her cost of education, her Scheduled Pell Grant may change. (The cost of education may change for other reasons as well; see Module 7.)

To determine the payment for full-time enrollment during the payment period:

Step 1. Determine the annual award. For Maria, a full-time student, the annual award is equal to the Scheduled Pell Grant, $1,290.

Step 2. Determine the number of payment periods. There are two payment periods because there are two terms in the academic year.

Step 3. Divide the annual award by the number of payment periods ($1,290 divided by 2 = $645). Payment for this student for a full-time payment period is $645.

To determine her full-time expected disbursement:

In our example, Maria plans to attend full-time for a full academic year. Therefore, her expected disbursement would be the sum of her two payments and is the same as her Scheduled Pell Grant, $1,290.

Pell Grant Full-Time Payment Schedule

	0 TO 0	1 TO 100	101 TO 200	201 TO 300
Cost of Education				
2000-2099	1230	1230	1230	1230
2100-2199	1290	1290	1290	1290
2200-2299	1350	1350	1350	1350
2300-2399	1410	1410	1410	1410

Example 5: Term-Based Program, Part-Time Student Enrolled for Full Academic Year within the Award Year.

Let's look at Maria again. This time, let's assume she will be a 3/4-time student for the entire year (Fall and Spring terms) at the same institution. How would her Pell Grant determination differ?

To determine Maria's Scheduled Pell Grant:

Repeat the steps used above. Her Scheduled Pell Grant ($1,290) will not change. *A Scheduled Pell Grant is always based on full-time, full academic year attendance.*

To determine the payment for a 3/4-time enrollment during the payment period:

Step 1. Determine the annual award. Remember that an annual award is the amount a student would receive if he or she maintained present enrollment status throughout the academic year. Maria's enrollment status in this case will be 3/4-time. Using the 3/4-time Disbursement Schedule, locate the annual award. It is $968.

Step 2. Determine the number of payment periods. There will again be 2 periods--the Fall and Spring terms.

Step 3. Divide the annual award by the number of payment periods ($968 divided by 2 = $484). Payment for this student for a 3/4-time payment period is $484.

To determine her 3/4-time expected disbursement:

In this example, Maria plans to attend as a 3/4-time student for the full year. Her expected disbursement would be $968.

Pell Grant Three-Quarter Time Disbursement Schedule

	0 TO 0	1 TO 100	101 TO 200	201 TO 300
Cost of Education				
2000-2099	923	923	923	923
2100-2199	968	968	968	968
2200-2299	1013	1013	1013	1013
2300-2399	1058	1058	1058	1058

10.12.1 Changes in Enrollment Status

In some situations, you may anticipate that a student will change enrollment status during the academic year, and you will need to reflect this when reporting the student's expected disbursement on the SAR. Let's look at an example.

Recalculations must be made when students change enrollment status between terms.

Example 6: Expected Change in Enrollment Status during Award Year.

Suppose Maria will be a 3/4-time student in the Fall term and a 1/2-time student in the Spring term. We know her Scheduled Pell Grant would still be $1,290. What would her payments and expected disbursement be?

To determine the Fall term payment at 3/4-time status:

Step 1. Determine the annual award--the amount Maria would receive if she maintained 3/4-time status ($968). We know Maria will not remain a 3/4-time student; however, you will use the 3/4-time information to determine an annual award. The annual award is then used in the following computation.

Step 2. Determine the number of payment periods (still 2).

Step 3. Divide the annual award by the number of payment periods ($968 divided by 2 = $484). Payment for the Fall term is $484.

To determine the Spring term payment at 1/2-time status:

Step 1. Determine the annual award--the amount Maria would receive if she maintained 1/2-time status ($645).

Step 2. Determine the number of payment periods (still 2).

Step 3. Divide the annual award by the number of payment periods ($645 divided by 2 = $322.50). Rounded to the nearest dollar, the Spring payment would be $323.

To determine the expected disbursement:

Add the Fall and Spring payments together:
$484 + $323 = $807.
Therefore, Maria's expected disbursement is $807.

Note that, according to Pell Grant regulations, if the student's enrollment status changes from one term to the next within the same academic year, you *must* recalculate the Pell Grant payment based on the updated enrollment information (34 CFR 690.80[b]). You must report the change, and any change in the expected disbursement, on

Pell Grant Half-Time Disbursement Schedule

Cost of Education	0 TO 0	1 TO 100	101 TO 200	201 TO 300
2000-2099	615	615	615	615
2100-2199	645	645	645	645
2200-2299	675	675	675	675
2300-2399	705	705	705	705

the student's processed Payment Document. Module 14 will discuss submission of Payment Documents.

10.12.2 Not in Attendance for a Full Academic Year

If Maria decided to enroll only for the Fall term, what would her expected disbursement be? If she attended 3/4-time, her expected disbursement would be the amount of the Fall term payment, $484. Her Scheduled Pell Grant would still be $1,290. There would be no payment for the Spring term.

10.12.3 Nonstandard Term

An example of a nonstandard term is a mini-session in a 4-1-4 academic year. The 9-month academic year consists of 2 semesters and a 1-month special session between them.

Although the Scheduled Pell Grant for the student would not change, the payment periods and payments are modified to reflect this special session. The following is an example of this modification which prorates payments for the terms.

Example 7: Nonstandard Terms (4-1-4); Full-Time Student Enrolled for a Full Academic Year during the Award Year.

Bert Donato is a full-time student in a 4-1-4 program. The program and the academic year are 9 months long. His Scheduled Pell Grant is $2,200, and his expected disbursement is also $2,200.

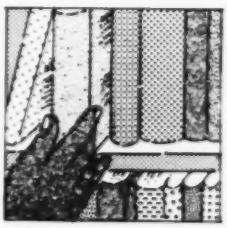
✦ *Option 1:* Payments may be made as shown below, using 3 payments of 4/9, 1/9, and 4/9 of the total.

Fall semester	12 credits	$2,200 x 4/9 =	$978
Mini-session	*3 credits	$2,200 x 1/9 =	$244
Spring semester	12 credits	$2,200 x 4/9 =	$978
All terms			$2,200

The first payment would have been $977.77, but this has been rounded up to $978. Even if the first payment equaled $977.44, you would round up to $978. Rounding up on the first payment ensures that the student has received the full entitlement if he or she later leaves school. The two remaining payments are rounded off so that the student would receive no more than the full Scheduled Pell Grant.

Q. What is the difference between a nonterm program and a nonstandard term?

A. A nonterm program measures student progress in clock hours or credits and does not have terms (no semesters, quarters, or trimesters). A nonstandard term is an academic term which measures progress in credits, such as a mini-session in the 4-1-4 system of academic terms or a summer term which is shorter than an institution's regular terms.

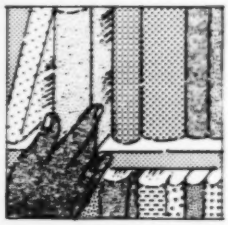


*See the *Federal Student Financial Aid Handbook* for instructions on determining enrollment status during a nonstandard term. In this example, the student has been determined to be a full-time student during the mini-session.

✦ *Option 2:* For a short mini-session, the institution may choose to combine the mini-session with one of the two semesters. Two equal payments would be made at the start of the Fall and Spring semesters.

In this example, the payments to Bert for each of two payment periods would be calculated as follows:

Fall and mini-session	$2,200 x 1/2	=	$1,100
Spring semester	$2,200 x 1/2	=	$1,100
All terms			$2,200



Refer to the *Federal Student Financial Aid Handbook.*

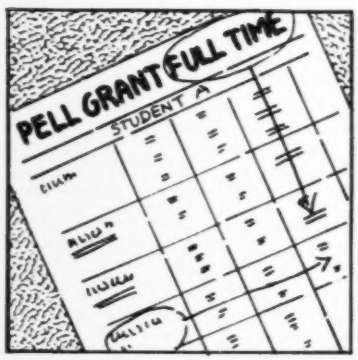
Another example of a nonstandard term is a summer session which is shorter than a regular term. (Summer sessions may be standard or nonstandard terms based on the length of the session. See the *Federal Student Financial Aid Handbook* for instructions on determining payments and enrollment status for students enrolled in summer sessions.)

Example 8: Payment for Nonstandard Summer Term.

The following is an example of the calculation of payments to a student who attends a 6-week, *nonstandard* summer term. Regular terms are 18 weeks long; the academic year is 36 weeks long. As in the example above, the student's enrollment status is determined to be full-time for the summer session. After completing the summer session, the student will be attending both regular terms at full-time status. This student will be enrolled for more than a full academic year, and may *not* receive more than his Scheduled Pell Grant of $1,942.

Nonstandard summer session:	$1,942 x 6/36	=	$324
Fall semester:	$1,942 x 18/36	=	$971
Spring Semester: $1,295 already disbursed, so			
	$1,942 (Scheduled Pell) - $1,295	=	$647

10.13 NONTERM PROGRAMS, CLOCK HOUR/CREDIT HOUR



The following discussion applies to programs that use clock hours or credit hours but do not have standard terms. Scheduled Pell Grants, expected disbursements, payment periods, and payments are still determined, but in somewhat different ways. Only the *full-time* Payment Schedule is used to determine payments.

Nonterm clock-hour/credit-hour payment calculation:

Step 1. Note the institution's definition of an academic year in clock hours or credit hours, and the number of hours in the first payment period.

Step 2. Determine the student's Scheduled Pell Grant using the full-time Payment Schedule.

Step 3. Determine each payment, using the following formula:

$$\text{Scheduled Pell Grant} \times \frac{\text{number of credit/clock hours in the payment period}}{\text{number of credit/clock hours in the academic year}}$$

Step 4. Total the payments that will be made for all payment periods scheduled to occur in an award year (between July 1 and June 30) to determine the expected disbursement. (See Section 10.14, Crossover Payment Periods, for a discussion of payment periods that do not fall entirely within the July 1 - June 30 award year dates.)

10.13.1 Nonterm Payment Periods

The payment period for programs without terms is based on the relationship of the educational program to the academic year. Although an academic year is defined as at least 900 clock hours, institutions may define the academic year as more than 900 hours. Furthermore, the programs at an institution may be longer or shorter than the definition of the academic year. (To be eligible for the Pell Grant program, of course, an educational program must be at least 600 clock hours, 16 semester or trimester hours, or 24 quarter hours in length.)

The regulations specifically define a payment period for:

- programs that equal the institution's definition of an academic year;
- programs that are longer than the defined academic year; and
- programs that are shorter than the defined academic year.

Just as a term-based school has the option of having more than two payment periods for each academic year, the clock-hour or nonterm credit-hour school may also have

more than two payment periods for each academic year or for each program which is shorter than the academic year. For example, Program 1 below could have had payment periods of 300/300/300 hours.

Program	Program Length	Example Academic Year	Maximum Payment Periods
1.	900 hours	900 hours	450 / 450 hours
2.	600 hours	900 hours	300 / 300
3.	700 hours	900 hours	350 / 350
4.	1600 hours	900 hours	450 / 450 / 450 / 250
5.	1600 hours	1600 hours	800 / 800
6.	1800 hours	900 hours	450 / 450 / 450 / 450
7.	1800 hours	1800 hours	900 / 900
8.	2000 hours	2000 hours	1000 / 1000

The maximum length of a payment period is one-half the number of hours in the academic year or in the program, whichever is shorter. For example, if the program is less than 900 hours, the first payment period is the period of time in which the student completes the first half of the program. In Program 2, 600 hours is less than 900 hours, so 300 hours is the maximum length of the payment period. Program 4 shows payment periods that have been determined according to the regulations established for programs longer than an academic year. Note the smaller final payment period of 250 hours.

In each of the example programs in the table, the maximum length of a regular payment period is shown. In each case, it is half the program length or half the academic year, whichever is shorter. Successive payment periods will be of equal length until the remaining portion is less than a full payment period.

Expected disbursements for students enrolled in these programs will be the total of payments you expect to make within an award year. However, these payments may never exceed the student's Scheduled Pell Grant. Later payments must sometimes be eliminated or adjusted so that the sum of all payments during the award year does not exceed the Scheduled Pell Grant. Let's review some examples with students in *nonterm* programs to determine payment periods and payments.

Example 9: Nonterm Program, One Academic Year in Length, which is Scheduled to Occur in One Award Year.

Anthony Birdsong is a full-time student in a program that measures progress in clock hours. To determine his

expected disbursement and payments, we will need to look at several factors: the length of the program, the institution's definition of the academic year (number of clock hours in a year), the number of payment periods designated, the cost of attendance, and Anthony's Student Aid Index.

Program	900 clock hours
Academic year	900 clock hours
Payment period (determined by the school in accordance with regulations)	450 clock hours
Cost of education	$3,800
SAI	0

Step 1. Determine the payment periods. The academic year in this program is 900 clock hours. The first payment period is the period of time in which the student completes the first half of the academic year, and the second payment period is the period of time in which the student completes the second half of that academic year. (The institution chooses not to have more than 2 payment periods: 900 divided by 2 = 450 hours.) Therefore, the academic year is divided into two payment periods of 450 hours each.

Step 2. Determine Anthony's Scheduled Pell Grant using the full-time Payment Schedule, his cost of education, and his SAI. When the cost of education is greater than the maximum listed on the Payment Schedule, the maximum cost ($3,700) is used. Anthony's 1988-89 Scheduled Pell Grant is $2,200.

Step 3. Apply the following formula to determine the amount of each payment to Anthony:

$$\text{Scheduled Pell Grant} \times \frac{\text{number of credit/clock hours in the payment period (450)}}{\text{number of credit/clock hours in the academic year (900)}}$$

Therefore, the initial payment will be:
$2,200 x 450/900 = $1,100

The initial payment can generally be made at the start of the first payment period--see Section 10.18 on Disbursement Procedures for details.

Pell Grant Full-Time Payment Schedule

Cost of Education	0 TO 0	1 TO 100	101 TO 200	201 TO 300
2000-2099	1230	1230	1230	1230
2100-2199	1290	1290	1290	1290
2200-2299	1350	1350	1350	1350
2300-2399	1410	1410	1410	1410
2400-2499	1470	1470	1470	1470
2500-2599	1530	1530	1530	1530
2600-2699	1590	1590	1590	1590
2700-2799	1650	1650	1650	1650
2800-2899	1710	1710	1710	1710
2900-2999	1770	1770	1770	1770
3000-3099	1830	1830	1830	1830
3100-3199	1890	1890	1890	1890
3200-3299	1950	1950	1950	1942
3300-3399	2010	2010	2010	1942
3400-3499	2070	2070	2050	1942
3500-3599	2130	2130	2050	1942
3600-3699	2190	2150	2050	1942
3700 +	2200	2150	2050	1942

Step 4. Determine the expected disbursement.

A second disbursement can be made when Anthony completes the hours for which he was paid (in this case 450 hours) and begins the second payment period. This disbursement will be $2,200 x 450/900 = $1,100. The expected disbursement is therefore $1,100 + $1,100 = $2,200.

Example 10: Nonterm Program; Preventing Overaward--Program is More Than One Academic Year and is Within an Award Year.

In this example, the student's Scheduled Pell Grant is $2,050, and the length of the program is 1,050 clock hours. The entire program is *within the award year.*

The institution chose to define the academic year as 900 hours. Following the regulations, the first and second payment periods must be no more than 450 hours each, and the final payment period must be the remaining hours in the program, or 150 hours.

Award: $2,050
Program Length: 1,050 hours **Academic Year:** 900 hours
Payment Periods in Award Year: 450--450--150
Payments: $1025--$1025--None **Total Payment:** $2,050

Using the formula in the previous example, you can see that the student would receive his or her full Scheduled Pell Grant over the first 2 payment periods. In this case, the formula cannot be used to calculate the payment for the remaining 150 hours, since this would cause an overaward. *There is **no remaining payment** to be made to the student for the additional payment period scheduled to occur in this award year.*

In nonterm programs, an *initial payment* is generally made before completion of hours and is based on the number of hours in the first payment period. However, *subsequent payments* are made *only after the hours already paid for have been completed.* Institutions sometimes allow a specified number of excused absences--hours that do not have to be made up. If a student has not completed a number of hours, but that number is within the allowed number of excused absences, the student may be paid for the next payment period.

Example 11: Excused Absences in a Clock-Hour Program.

Bob Donald enrolls in a 900 clock-hour program, and is paid at the start of the program for the first 450 hours. Students are allowed 50 hours of excused absences. By the end of the 450-hour period, Bob has 20 hours of excused absences. Despite this, he may now receive payment for the next 450 hours.

For nonterm programs, enrollment status must be determined only to ensure that the student is attending at least half-time. Otherwise, the student's enrollment status has no bearing on the determination of payment amounts for nonterm schools. The *full-time Payment Schedule is always used*--the part-time Disbursement Schedules are *never* used for students enrolled in nonterm programs.

10.14 CROSSOVER PAYMENT PERIODS

Our examples have used programs that were entirely within one award year. Programs may also run from one award year into the next. A first payment period could be from April 1 to June 30, and a second payment period could be from July 1 to September 30. The first payment period is completely within one award year while the second payment period falls entirely in the next award year. SARs for each award year must be used accordingly.

However, a single payment period may span two award years. A crossover payment period is defined as any non-term or term-based payment period which is scheduled to occur in two award years. This would be any payment period which includes June 30th and July 1st of any calendar year, and is usually a summer session or clock-hour payment period that includes at least parts of June and July. Consider a payment period of 450 hours that includes the months of May, June, and July of 1988. The following questions arise:

- Which SAR should be used--the 1987-88 SAR or the 1988-89 SAR?
- From which award year authorization should the payment be made?

In these cases, the regulations specify that institutions must treat the crossover period as a *single* period, and

must *decide which award year* the payment period will be attributed to:

- ✧ If more than 6 months of a crossover payment period occur in one award year, the period must be placed in that award year.

- ✧ If the period does not include more than 6 months in one award year, the institution must choose which SAR to require and must make payment on the corresponding award year. If you choose the 1988-89 year, you will use the 1988-89 SAR and make payment from the authorization your institution was given for the 1988-89 year. Payment may not be disbursed before July 1, 1988, which is the first day of the 1988-89 award year.

The choice may be made for each student individually, and is usually made to benefit the student. You must be cautious in this decision because the student's Scheduled Pell Grant for either year may not be exceeded. If the student has remaining eligibility from the previous award year, the institution may use that award year for the crossover period.

In the example shown in the table below, both the first and final payment periods occur in two award years (before and after June 30) and each may be placed in either of two award years. An academic year is defined by this institution as 900 clock hours. To determine payments, we have assumed a Scheduled Pell Grant of $2,100 for all 3 award years for this student.

Payment Period	Actual Dates	Payment Amount	Award Year
450 hours	May 1, 1987 - Sept. 15, 1987	$1,050	86-87 award yr.
450 hours	Sept. 16, 1987 - Jan. 31, 1988	1,050	87-88 award yr.
450 hours	Feb. 1, 1988 - June 15, 1988	1,050	87-88 award yr.
150 hours	June 16, 1988 - July 31, 1988	350	88-89 award yr.

This division of payments among award years allows the student to receive payments during each payment period.

10.15 TRANSFER STUDENT AWARDS

As we have said, a student may not receive more than one full Scheduled Pell Grant in one award year. This may

affect transfer students, and payments to them must be carefully monitored. A student who transfers during an award year must:

- ❖ request a duplicate SAR from the Pell Grant processor and deliver it to the new school; and
- ❖ have Financial Aid Transcripts sent from the school(s) previously attended to the new school (the new school may also request such transcripts).

Q. How do you know if a transfer student has received a Pell Grant for attendance at another institution?

A. The Financial Aid Transcript(s) sent from the other school(s) will tell you this and will show the amount the student received.

Transfer students can often expect the amount of their Scheduled Pell Grant to change when they attend a new school. Although the student's duplicate SAR will show the same SAI, the cost of education at the new school may differ from the previous school's cost of education. This could change the student's Scheduled Pell Grant.

The following example shows the steps taken by the financial aid administrator to calculate a transfer student's payments and the procedure used to prevent an overaward.

Example 12: Student Attends More Than One Institution in an Award Year.

Chi Wu attended a semester program at Institution A during the Fall term and received half of his Scheduled Pell Grant. Chi has already received half of his *entitlement*. He has now enrolled full-time at Institution B which is on the quarter system and where Chi has a higher cost of attendance. Normally, a student attending full-time would receive a third of his or her Scheduled Pell Grant for the Fall term, a third for the Winter term, and another third for the Spring term. What payments should be made to Chi for attendance at the new school?

To determine the payments for this transfer student:

Payment periods for the first program were 1/2 of the award year, and for the second program are 1/3 each.

Step 1. Determine the percentage of the entitlement that has been used.

Scheduled Award at Institution A was: $2,200
Student received: $1,100
% of entitlement used (1100/2200): 50%

Step 2. Calculate the total amount Institution B may pay the student during the remainder of the award year, using the formula:

Scheduled Award x % remaining entitlement
= maximum amount Institution B may pay student

Scheduled Award at Institution B: $2,010
% Remaining entitlement (100% - 50%): 50%
Remaining entitlement: $2,010 x 50% = $1,005

Step 3. Determine Institution B's payments for each remaining payment period.
General Payment Structure at Institution B:
Fall--Winter--Spring: 1/3--1/3--1/3

✦ Fall: Chi was not attending Institution B.

✦ Winter: At Institution B, payment is generally 1/3 of the Scheduled Award:
$2,010 x 1/3 = $670
Chi's remaining entitlement is $1,005 so the payment must not exceed Chi's entitlement.
Therefore, Winter Payment = $670.
After payment, Chi's remaining entitlement will be: $1,005 - $670 = $335.

✦ Spring: The payment would generally be 1/3 of the Scheduled Award:
$2,010 x 1/3 = $670.

However, Chi's remaining entitlement is less than this--only $335.
Therefore, Spring Payment = $335.

In summary, this student received 50% of his entitlement during the Fall term in the semester program and has 50% remaining. He will be eligible to receive the 1/3 payment normally paid to full-time students at the quarter school for the Winter term, but will receive less for the Spring term.

10.16 RECALCULATION OF A PELL GRANT DUE TO A CHANGE IN ENROLLMENT STATUS

A Pell Grant award *must* be recalculated when there is a change in the expected family contribution (SAI) at any

time during the award year. This change in the SAI may result from correction of a clerical or arithmetic error, from updated information submitted by the student, or from *verification*. Additionally, if a student submitted a SAR prior to the established deadline, but was required to have the SAR reprocessed as a result of verification, and submitted the reprocessed SAR during the 60-day verification extension,* payment must be based on the higher SAI (the lower award). Also, a student whose SAI increases (and whose award decreases) after filing corrected data must be paid from the corrected SAI.

A Pell Grant award also *must* be recalculated under the following conditions:

- ✧ if the student does not begin attendance at the enrollment status on which payment was calculated; or
- ✧ if the student changes enrollment status from one term to another in a term-based program (in this case, recalculation must take into account changes in the cost of attendance).

If the student has begun attendance in all of his or her classes, and subsequently changes enrollment status, the institution *may* recalculate the award but is *not* required to do so. If such recalculation is an institutional policy, changes in the cost of attendance must be taken into account.

If there is a change in the cost of attendance and the student's enrollment status does not change, the institution *may* recalculate the award, but *this is not required*. (For example, a student's cost of attendance usually changes if the student moves from the parent's home to a dormitory.) If the institution establishes a policy of recalculating the award, it must be applied to all Pell Grant recipients.

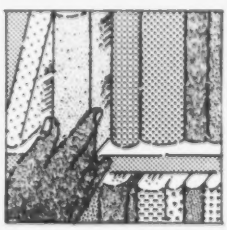
The institution *must* recalculate a Pell Grant award if:
- there is a change in the SAI at any time in the award year
- there is a change in enrollment status:
  --between terms
  --between payment periods
  --before actual attendance

The institution *may* recalculate a Pell Grant award if:
- there is a change in enrollment status during a payment period
- there is a change in cost of attendance at any time in the award year and enrollment status has not changed

*See Module 13 for a discussion of the extension for completing verification.

10.17 THE FEDERAL STUDENT FINANCIAL AID HANDBOOK

The Pell Grant program accommodates a variety of institutional types. The examples and exercises in this module can provide only an introduction to basic variables that affect calculation. If you will be calculating Pell Grant awards, you should consult the *Federal Student*



Refer to the *Federal Student Financial Aid Handbook*.

Financial Aid Handbook and the Title IV regulations to understand how to compute awards or determine payment periods for your particular institution.

DISBURSEMENT PROCEDURES

Generally, a Pell Grant payment may not be made until *all* conditions regarding eligibility for payment have been met. As discussed earlier, these conditions include student and program eligibility, determination of enrollment status, and calculation of payment.

Under certain circumstances, institutions may make a first disbursement before a valid SAR is received. If the aid administrator has a processed SAR, and discovers that data have been incorrectly reported, he or she may recalculate the index for the student and may make a first disbursement. The SAR must be reprocessed with the correct data and the new SAR must be submitted to the aid administrator. Final payment must be based on the index shown on the valid SAR. The institution is liable for any overaward resulting from recalculation of the student's award.

Institutions receive federal funds through a system of requests that pass through ED to the U.S. Treasury. This system will be discussed in Module 14.

For information on drawing down funds for Pell Grant payments to students, refer to Module 14.

10.18 DISTRIBUTION OF GRANTS AND DISBURSEMENT DATES

Payment of a Pell Grant may be made by crediting the student's account or by direct payment to the student by check. The following rules apply to all eligible programs except correspondence study programs (see 34 CFR 690.66):

- Disbursements to a student's account must be limited to the amount owed in tuition, fees, and room and board contracts, unless the student requests that an additional amount be credited.
- The earliest you may disburse by check to a registered student is 10 days before the first day of classes.* *If the student does not actually begin attendance in any classes, or becomes ineligible for a Pell Grant, you must make a refund to the Pell Grant account.* (The institution must attempt to recover the full amount of the disbursement from the student.)

*Consult the *Federal Student Financial Aid Handbook* and 34 CFR 690.78(d) for information on what to do when a student fails to pick up a check within 15 days of his or her last date of enrollment.

INITIAL DISBURSEMENTS OF TITLE IV FUNDS

PROGRAM	CIRCUMSTANCES OF INITIAL DISBURSEMENT				
	Verification Not Completed	*FAT Missing*	*Valid SAR Not In, But Official SAI Received*	*Valid SAR Not In, SAI Recalculated By Hand*	*Hand-Calculated FC Only*
Pell Grant	FAA may make only one disbursement for first payment period; institution is liable.	FAA may make only one disbursement for first payment period; institution is liable.	FAA may make only one disbursement for first payment period; institution is liable.	FAA may make only one disbursement for first payment period; institution is liable.	No disbursement may be made.
SEOG	FAA may make only one disbursement for first payment period; institution is liable.	FAA may make only one disbursement for first payment period; institution is liable.			FAA may make one disbursement for first payment period, if there is no conflicting documentation; institution is liable.
CWS		Student may be paid for work during first payment period only; institution is liable.			FAA may make one disbursement for first payment period, if there is no conflicting documentation; institution is liable.
Perkins Loan	FAA may make only one disbursement for first payment period; institution is liable.	FAA may make only one disbursement for first payment period; institution is liable.			FAA may make one disbursement for first payment period, if there is no conflicting documentation; institution is liable.
Income-Contingent Loan	FAA may make only one disbursement for first payment period; institution is liable.	FAA may make only one disbursement for first payment period; institution is liable.			FAA may make one disbursement for first payment period, if there is no conflicting documentation; institution is liable.
Stafford Loan	No disbursement may be made.	No disbursement may be made. FAA may certify loan application			No disbursement may be made.

- ✧ The earliest you may disburse by crediting a registered student's account is 3 weeks before the first day of classes. *If the student becomes ineligible or does not begin attendance in any classes, you must direct the business or fiscal office to withdraw the full amount credited and refund it to the federal account.*

See Module 15 for a discussion of *refund calculations.*

The chart on the facing page compares the initial disbursement procedures for Title IV programs.

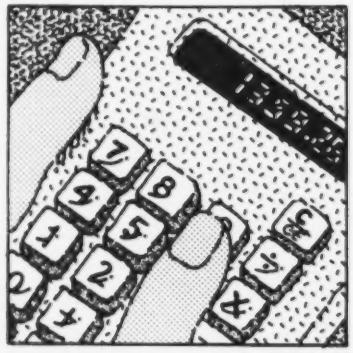
10.19 RETROACTIVE PAYMENTS

A student may be paid retroactively for terms or hours completed in a previous payment period within the same award year. The student must submit a valid SAR before the deadline, and must be eligible and attending at least half-time when the SAR is submitted to the school. Retroactive payment is made only for hours that the student completed in previous terms.

Example 13: Retroactive Payments.

Andre Dorsette was enrolled in the Fall and Winter terms (in a quarter system) but did not have a valid SAR until the Spring term. He attended half-time during the Fall and Winter and would have been eligible for payment if he had submitted a valid SAR. When Andre submits his SAR in the Spring term, he may be paid for both the Fall and Winter terms in one lump sum, and must be paid for the Spring term separately.

10.20 RECOVERY OF PELL GRANT FUNDS



In Section 10.16, we discussed the regulations regarding the recalculation of a Pell Grant. Under certain conditions, recalculation was required. Under other conditions, recalculation could be required by institutional policy, but was not required by regulations.

If recalculation causes the student's payment to increase, the student must receive the increased amount (by check or credit to the student's account). However, if the

student's payment decreases due to the recalculation, a *recovery* must be made. For example, if payment was based on a projected full-time enrollment status, and the student actually began attendance as a 3/4-time student, the student must return a portion of the payment to the institution. That portion is equal to the difference in the payments for full-time and 3/4-time enrollment. The institution is said to have *recovered funds*. The amount returned to the Pell Grant account is called a *recovery*.

To recover funds, the institution must collect money from the student if the student was paid directly, or repay the Pell Grant account from institutional funds if the student was paid by a credit to his or her account. In cases where the institution is responsible for an overaward and it cannot collect from the student, the institution must pay back the amount from its own funds.

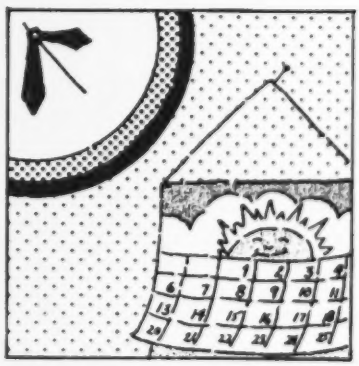
10.21 DEADLINES

ED publishes deadlines by which the student must submit a SAR for payment. Currently, the deadline for submission is the earlier of these two dates:

- June 30th; or
- the last date within the award year on which the student was enrolled and eligible.

Students whose SARs require verification may be eligible for an extension to give them time to complete verification and submit a valid SAR. (See the deadline notice in the *Federal Register* for the award year in question.)

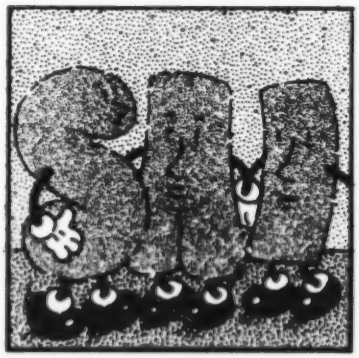
If June 30 falls on a weekend or holiday, the deadline is the next working day after June 30.



SUMMARY

This module has discussed:

- general and program-specific eligibility criteria for the Pell Grant program;
- the application process, including the Student Aid Report;
- basic verification requirements;
- the determination of student awards; and
- disbursement regulations.



We have also stressed the importance of further training and study of the *Federal Student Financial Aid Handbook* to complete your understanding of procedures which apply to your school.

Remember that the Pell Grant discussion in this module has frequently relied on your understanding of material contained in related modules. Essential information from these modules, such as determining the cost of attendance (Module 7) and verification procedures (Module 13), is vital in managing the Pell Grant program.

POST-TEST

1. Which students are eligible for the Pell Grant?

   a. students who are not enrolled in a degree or certificate program
   b. students who are enrolled in a degree or certificate program
   c. all students attending a school which has been certified to participate in the Pell Grant program

2. Students must be enrolled at least half-time to receive a Pell Grant. True or False?

3. The Pell Grant program defines an undergraduate as:

   a. any student attending a school which offers an undergraduate degree
   b. a student who is enrolled in an undergraduate course of study, regardless of whether or not the student already has a previous baccalaureate or professional degree
   c. a student who is enrolled in an undergraduate course of study, and who does not already have a baccalaureate or first professional degree

4. A student who 1) has received a Pell Grant prior to the 1987-88 year; 2) does not already have an undergraduate or first professional degree; and 3) is enrolled in a 6-year program, may receive a Pell Grant:

   a. through the 4th academic year of that program
   b. for 6 award years
   c. through the 6th academic year of that program

5. Procedures for calculating a student's Pell Grant payment are different for term-based and nonterm programs. True or False?

6. What are the two elements on the Pell Grant Payment Schedule used to determine a student's Scheduled Pell Grant?

   a. cost of attendance
   b. dependency status
   c. Student Aid Index (SAI)
   d. Congressional Methodology FC

7. The Pell Grant information shown on the MDE need analysis report is estimated and does not represent an official notification from the Department of Education of the Student Aid Index. True or False?

8. In an institution defining its academic year as two semesters, if a student attends both Fall and Spring terms at full-time status, the expected disbursement will equal the Scheduled Pell Grant. True or False?

9. The part-time disbursement schedules may be used by clock-hour schools for students who attend part-time. True or False?

10. Which form should be completed to record a special circumstance in the family's financial condition resulting from the loss of income or benefits, or the death, separation, or divorce of a parent or spouse?

    a. the Student Aid Report
    b. the Special Condition Application
    c. the Payment Document
    d. none of the above

11. Once the Student Aid Report (SAR) is mailed to the student's home, the student has the responsibility for delivering it to the institution of his or her choice. True or False?

12. Which of the following purposes are served by the SAR Information Summary (formerly the Eligibility Letter)? (circle all that apply)

    a. collects applicant data for submission to the Pell processor
    b. serves as a permanent record in the student's financial aid file
    c. is submitted to ED as a payment document
    d. informs the student whether he or she may be eligible for a Pell Grant

13. In some nonterm programs, a student may be allowed excused absences but must finish all other required hours he or she was paid for before receiving another payment. True or False?

14. A student's payment must be recalculated if he or she is enrolled in a term-based program and changes enrollment status between terms. True or False?

15. Which of the following methods are approved for payment of a Pell Grant: (circle all that apply)

    a. credit the student's account for a room and board contract
    b. check to the student
    c. credit the student's account for tuition and fees

16. Payment may not be made to a student for a Pell Grant before the first day of classes. True or False?

ANSWERS

1. b. Students must be enrolled in a degree or certificate program to receive a Pell Grant. (For more information, see Section 10.1.)

2. *True,* through the end of the 1988-89 award year. Students must be enrolled at least half-time.
   False, starting with the 1989-90 award year. Less-than-half-time students *may* then be eligible for Pell Grants: 1) provided that awards to at least half-time students will not be reduced; and 2) provided that the student's SAI is low enough. (10.1, 10.2.3)

3. c. A Pell Grant cannot be awarded to a student who already has a baccalaureate or first professional degree. (10.2.1)

4. a. A student who has received a Pell Grant prior to the 1987-88 year, who does not already have an undergraduate or first professional degree, and who is enrolled in a 6-year program, may receive a Pell Grant only the first 4 academic years of that program. A different rule applies to students who received a Pell Grant for the first time in the 1987-88 award year. (10.2.2)

5. True. Procedures are different for calculating a student's Pell Grant payment for term-based and nonterm programs. (10.11)

6. a. and c. Cost of attendance and the Student Aid Index (SAI) are the two elements used to determine a Scheduled Pell Grant on the Pell Grant Payment Schedule. (10.9, 10.10)

7. False. The MDE need analysis report can provide an official Student Aid Index. However, the institution must obtain a valid Student Aid Report (SAR) from each student to whom payments are made. If incomplete data were supplied, the initial MDE need analysis report may show an "estimated" SAI. This may be used for tentative packaging purposes only. (10.3)

8. True. However, if the student attended part-time, or for only one term, the expected disbursement would be less than the Scheduled Pell Grant. (10.11, 10.12)

9. False. Nonterm programs (clock-hour, or credit-hour without terms) do not use the part-time disbursement schedules. They are only for term-based programs--those using semesters, quarters, or trimesters. (10.13)

10. a. There is no longer a Special Condition Application form on which to report special circumstances of an individual student. The aid administrator now has the authority to make necessary adjustments to the SAI, based on professional judgment, to take into account an individual student's special circumstances. The aid administrator may make adjustments to the Student Aid Report (SAR) and compute a new SAI based on the adjusted data. In most instances the corrections are submitted to the central processor on Part 2 of the SAR. The central processor computes a new SAI and returns the SAR to the student, who brings it to the aid office for payment. (10.4.5, Appendix C)

11. True. The Pell Grant is said to be a "portable grant" because the student may submit the SAR to any institution of his or her choice. Other financial aid documents such as the MDE need analysis report are sent directly to the institution, but the SAR is always sent to the student. (10.4)

12. b. and d. The Information Summary tells the student whether he or she may be eligible for a Pell Grant and serves as a permanent record in the student's financial aid file. Although it reproduces applicant data, it does not collect revised or additional data for submission to the processor. The Payment Document is a separate form, Part 3 of the SAR. (10.4.1)

13. True. In nonterm programs, a student may be allowed excused absences but must finish all other hours for which he or she was paid before receiving another payment. (10.13.1, Example 11)

14. True. A student's payment must be recalculated if he or she changes enrollment status between terms in a term-based program. (10.12.1, Example 6)

15. a., b., and c. Pell Grants may be paid by crediting the student's account. The account may be credited *only* for the amount due in tuition, fees, and for a room and board contract, unless the student makes a written request to the school for an additional amount to be credited to his or her account (for example, for bookstore charges or supplies). Disbursement may also be made by check to the student. (10.18)

16. False. The regulations permit payment by check up to 10 days before the first day of classes, or by credit to a student's account up to 3 weeks before the first day of classes. (10.18)

Questions: 16 Your Score: ____ Percentage: ____

academic year	(a) A period of time in which a full-time student is expected to complete at least the equivalent of 2 semesters, 2 trimesters, or 3 quarters at an institution measuring in credits and using a semester, trimester, or quarter system; (b) 24 semester hours or 36 quarter hours at an institution using credit hours and not using a semester, trimester, or quarter system; (c) at least 900 clock hours at an institution using clock hours.
Application for Federal Student Aid (AFSA)	A free financial aid application, provided by the Department of Education, which gathers data to determine both Pell Grant eligibility and expected family contribution using the Congressional Methodology.
award year	The period of time between July 1 of one year and June 30 of the following calendar year.
clock hour	The equivalent of *either* a 50- to 60-minute class, lecture, or recitation *or* a 50- to 60-minute faculty-supervised laboratory, shop training, or internship.
cost of attendance (COA)	Those charges and allowances established by the institution that are applicable to students for attendance for one academic year. Generally, the COA includes tuition and fees; allowances for room and board, books, supplies, transportation and miscellaneous expenses, child care, dependent care, and certain handicap-related expenses. There are significant differences between these components in the Pell Grant and campus-based/GSL programs. See Sections 411F and 472 of the Higher Education Act of 1965, as amended, for provisions on establishing institutional costs of attendance. The term *cost of attendance* is often used interchangeably with *cost of education*.
cost of education	See **cost of attendance**. The term *cost of education* is often used interchangeably with *cost of attendance* . Prior to the 1988-89 award year, the Pell Grant program had a specific definition of *cost of education*.
disbursement	The process by which aid funds are made available to students.
enrollment status	At those institutions using semesters, trimesters, quarters, or other academic terms and measuring progress by credit hours, enrollment status equals a student's credit-hour courseload categorized as either full-time, three-quarter time, or half-time. Clock-hour schools and schools using credit hours but not standard terms must ensure that Pell Grant and Stafford Loan recipients meet the minimum half-time enrollment requirement, but these schools are not required to determine three-quarter or full-time enrollment status.

expected disbursement	The sum of all expected Pell Grant payments to a student during an award year.
Information Summary	Part 1 of the Student Aid Report (SAR), this informs students of their eligibility for a Pell Grant. Also included in Part 1 is the FC produced by the Congressional Methodology. The Information Summary becomes a part of the student's financial aid file.
Payment and Disbursement Schedules	Tables showing the Scheduled Pell Grant amounts in an award year for full-time, three-quarter-time, and half-time students. Tables are updated annually based on family contribution, cost of attendance, and the amount of funds available for making Pell Grants.
Payment Document (Pell Grant)	Part 3 of the Student Aid Report (SAR). A machine-readable form that must be coded with an individual student's payment data at the institution before submission to ED.
payment period	An institutionally defined length of time for which financial aid funds will be paid to a student. For programs using academic terms, the payment period is the term itself. For programs not using academic terms, institutions must designate at least two payment periods within an academic year.
satisfactory academic progress	Regulations require that a student be making satisfactory academic progress to receive Title IV aid. Satisfactory academic progress is a term used to describe a satisfactory rate of course completion. To monitor academic progress, institutions must develop policies which satisfy federal requirements set forth in the General Provisions Regulations of December 1, 1987. The Higher Education Amendments of 1986 prescribe additional specific standards of satisfactory progress that must be met by students who have not received Title IV assistance prior to the 1987-88 award year. The institution must evaluate each student's satisfactory academic progress according to its policies and procedures and document the results of the review.
Scheduled Pell Grant (Scheduled Award)	The amount of a Pell Grant which would be paid to a full-time student for a full academic year. The Scheduled Award is based on the Student Aid Index and the total allowable cost of attendance and is determined from the Payment Schedule.
Student Aid Index (SAI)	The numeric value reported on the Student Aid Report (SAR) that indicates the expected family contribution for the Pell Grant program obtained by performing the Family Contribution Schedule Methodology of need analysis.
Student Aid Report (SAR)	The official 3-part notification of the results of processing the student's Pell Grant application that is sent directly to the student by the central processor. The report shows the Student Aid Index

	(SAI). All three parts of the SAR must be submitted by an eligible student to the financial aid office at the institution for the student to receive payment under the Pell Grant program.
undergraduate	In Pell Grant and SEOG terminology, an undergraduate is a postsecondary student who does not have a baccalaureate or first professional degree.
validation	See **verification**. Validation was the term used prior to the 1986-87 award year. The procedures applied only to Pell Grant applicants. Verification is the current term used, and it applies to all need-based Title IV financial aid programs.
verification	Technical and administrative procedures for detecting and resolving inaccuracies in the data that a student has given when applying for federal financial aid. ED publishes a *Verification Guide* each year setting forth guidelines and procedures.

ACRONYMS

ADS	Alternate Disbursement System. Formerly a distribution system for Pell Grant funds, no longer in use.
AFSA	Application for Federal Student Aid.
EFC	Expected Family Contribution.
FAA	Financial Aid Administrator.
FAF	Financial Aid Form.
FC	Family Contribution (calculated with the Congressional Methodology).
FFS	Family Financial Statement.
MDE	Multiple Data Entry.
PEDE	Pell Electronic Data Exchange.
SAI	Student Aid Index.
SAR	Student Aid Report.

KEY RESOURCES

1. U.S. Department of Education, Office of Student Financial Assistance, *Current Title IV Regulations,* Washington, D.C., OSFA/ED, 1988.

2. --------, *Federal Student Financial Aid Handbook,* Washington, D.C., OSFA/ED, 1988.

3. --------, *The Student Guide: Five Federal Financial Aid Programs,* Washington, D.C., OSFA/ED, 1988.

   A brief description of Title IV programs; this small handbook is a handy resource to have available for students and parents. Copies may be obtained from Dept. DEA-84, Pueblo, CO 81009.

4. --------, *1988-89 Verification Guide,* Washington, D.C., OSFA/ED, 1988.

Unless otherwise indicated, the references listed above can be obtained by contacting the publishing organization. For U.S. Department of Education addresses, see the inside back cover or the Support Booklet.

APPENDIX A

SAMPLE PELL GRANT PAYMENT AND DISBURSEMENT SCHEDULES FOR THE 1988-89 AWARD YEAR

8/20/88

U.S. DEPARTMENT OF EDUCATION
OFFICE OF STUDENT FINANCIAL ASSISTANCE

Note: The Administration's budget submission to Congress proposes a payment schedule which uses an across the board dollar reduction in awards instead of linear reduction. Flat dollar reduction reduces all awards by an equal amount and does not eliminate any awards. If that proposal is approved by April 30, this payment schedule will be superseded by a new schedule.

PELL GRANT FULL-TIME PAYMENT SCHEDULE

For Determining Scheduled Awards for the 1988-89 Award Period
February 1988

	Student Aid Index																					
	0 TO 0	1 TO 100	101 TO 200	201 TO 300	301 TO 400	401 TO 500	501 TO 600	601 TO 700	701 TO 800	801 TO 900	901 TO 1000	1001 TO 1100	1101 TO 1200	1201 TO 1300	1301 TO 1400	1401 TO 1500	1501 TO 1600	1601 TO 1700	1701 TO 1800	1801 TO 1900	1901 TO 2000	2001 TO 9999
Cost of Education																						
0- 299	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
300- 399	210	210	200	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
400- 499	270	270	270	200	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
500- 599	330	330	330	300	200	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
600- 699	390	390	390	390	300	200	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
700- 799	450	450	450	450	400	300	200	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
800- 899	510	510	510	510	500	400	300	200	0	0	0	0	0	0	0	0	0	0	0	0	0	0
900- 999	570	570	570	570	570	500	400	300	200	0	0	0	0	0	0	0	0	0	0	0	0	0
1000-1099	630	630	630	630	630	600	500	400	300	200	0	0	0	0	0	0	0	0	0	0	0	0
1100-1199	690	690	690	690	690	690	600	500	400	300	200	0	0	0	0	0	0	0	0	0	0	0
1200-1299	750	750	750	750	750	750	700	600	500	400	300	200	0	0	0	0	0	0	0	0	0	0
1300-1399	810	810	810	810	810	810	800	700	600	500	400	300	200	0	0	0	0	0	0	0	0	0
1400-1499	870	870	870	870	870	870	870	800	700	600	500	400	300	200	0	0	0	0	0	0	0	0
1500-1599	930	930	930	930	930	930	930	900	800	700	600	500	400	300	200	0	0	0	0	0	0	0
1600-1699	990	990	990	990	990	990	990	990	900	800	700	600	500	400	300	200	0	0	0	0	0	0
1700-1799	1050	1050	1050	1050	1050	1050	1050	1050	1000	900	800	700	600	500	400	300	200	0	0	0	0	0
1800-1899	1110	1110	1110	1110	1110	1110	1110	1110	1100	1000	900	800	700	600	500	400	300	200	0	0	0	0
1900-1999	0	1170	1170	1170	1170	1170	1170	1170	1170	1100	900	900	800	700	600	500	400	300	200	0	0	0

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Ten-62

DEPARTMENT OF EDUCATION
OFFICE OF STUDENT FINANCIAL ASSISTANCE

Note: The Administration's budget submission to Congress proposes a payment schedule which uses an across the board dollar reduction in awards instead of linear reduction. Flat dollar reduction reduces all awards by an equal amount and does not eliminate any awards. If that proposal is approved by April 30, this payment schedule will be superseded by a new schedule.

PELL GRANT FULL-TIME PAYMENT SCHEDULE
For Determining Scheduled Awards for the 1988-89 Award Period
February 1988

	Student Aid Index																					
	0 TO 0	1 TO 100	101 TO 200	201 TO 300	301 TO 400	401 TO 500	501 TO 600	601 TO 700	701 TO 800	801 TO 900	901 TO 1000	1001 TO 1100	1101 TO 1200	1201 TO 1300	1301 TO 1400	1401 TO 1500	1501 TO 1600	1601 TO 1700	1701 TO 1800	1801 TO 1900	1901 TO 2000	2001 TO 9999
Cost of Education																						
2000-2099	1230	1230	1230	1230	1230	1230	1230	1230	1230	1200	1100	1000	900	790	675	560	445	330	214	0	0	0
2100-2199	1290	1290	1290	1290	1290	1290	1290	1290	1290	1251	1136	1021	906	790	675	560	445	330	214	0	0	0
2200-2299	1350	1350	1350	1350	1350	1350	1350	1350	1350	1251	1136	1021	906	790	675	560	445	330	214	0	0	0
2300-2399	1410	1410	1410	1410	1410	1410	1410	1410	1366	1251	1136	1021	906	790	675	560	445	330	214	0	0	0
2400-2499	1470	1470	1470	1470	1470	1470	1470	1470	1366	1251	1136	1021	906	790	675	560	445	330	214	0	0	0
2500-2599	1530	1530	1530	1530	1530	1530	1530	1482	1366	1251	1136	1021	906	790	675	560	445	330	214	0	0	0
2600-2699	1590	1590	1590	1590	1590	1590	1590	1482	1366	1251	1136	1021	906	790	675	560	445	330	214	0	0	0
2700-2799	1650	1650	1650	1650	1650	1650	1597	1482	1366	1251	1136	1021	906	790	675	560	445	330	214	0	0	0
2800-2899	1710	1710	1710	1710	1710	1710	1597	1482	1366	1251	1136	1021	906	790	675	560	445	330	214	0	0	0
2900-2999	1770	1770	1770	1770	1770	1712	1597	1482	1366	1251	1136	1021	906	790	675	560	445	330	214	0	0	0
3000-3099	1830	1830	1830	1830	1827	1712	1597	1482	1366	1251	1136	1021	906	790	675	560	445	330	214	0	0	0
3100-3199	1890	1890	1890	1890	1827	1712	1597	1482	1366	1251	1136	1021	906	790	675	560	445	330	214	0	0	0
3200-3299	1950	1950	1950	1942	1827	1712	1597	1482	1366	1251	1136	1021	906	790	675	560	445	330	214	0	0	0
3300-3399	2010	2010	2010	1942	1827	1712	1597	1482	1366	1251	1136	1021	906	790	675	560	445	330	214	0	0	0
3400-3499	2070	2070	2050	1942	1827	1712	1597	1482	1366	1251	1136	1021	906	790	675	560	445	330	214	0	0	0
3500-3599	2130	2130	2050	1942	1827	1712	1597	1482	1366	1251	1136	1021	906	790	675	560	445	330	214	0	0	0
3600-3699	2190	2150	2050	1942	1827	1712	1597	1482	1366	1251	1136	1021	906	790	675	560	445	330	214	0	0	0
3700 +	2200	2150	2050	1942	1827	1712	1597	1482	1366	1251	1136	1021	906	790	675	560	445	330	214	0	0	0

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Note: The Administration's budget submission to Congress proposes a payment schedule which uses an across the board dollar reduction in awards instead of linear reduction. Flat dollar reduction reduces all awards by an equal amount and does not eliminate any awards. If that proposal is approved by April 30, this payment schedule will be superseded by a new schedule.

PELL GRANT THREE-QUARTER TIME DISBURSEMENT SCHEDULE

For Determining Three-Quarter Time Disbursements for the 1988-89 Award Period
February 1988

	Student Aid Index																					
	0 TO 0	1 TO 100	101 TO 200	201 TO 300	301 TO 400	401 TO 500	501 TO 600	601 TO 700	701 TO 800	801 TO 900	901 TO 1000	1001 TO 1100	1101 TO 1200	1201 TO 1300	1301 TO 1400	1401 TO 1500	1501 TO 1600	1601 TO 1700	1701 TO 1800	1801 TO 1900	1901 TO 2000	2001 TO 9999
Cost of Education																						
0- 299	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
300- 399	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
400- 499	203	203	203	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
500- 599	248	248	248	225	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
600- 699	293	293	293	293	225	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
700- 799	338	338	338	338	300	225	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
800- 899	383	383	383	383	375	300	225	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
900- 999	428	428	428	428	428	375	300	225	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1000-1099	473	473	473	473	473	450	375	300	225	0	0	0	0	0	0	0	0	0	0	0	0	0
1100-1199	518	518	518	518	518	518	450	375	300	225	0	0	0	0	0	0	0	0	0	0	0	0
1200-1299	563	563	563	563	563	563	525	450	375	300	225	0	0	0	0	0	0	0	0	0	0	0
1300-1399	608	608	608	608	608	608	600	525	450	375	300	225	0	0	0	0	0	0	0	0	0	0
1400-1499	653	653	653	653	653	653	653	600	525	450	375	300	225	0	0	0	0	0	0	0	0	0
1500-1599	698	698	698	698	698	698	698	675	600	525	450	375	300	225	0	0	0	0	0	0	0	0
1600-1699	743	743	743	743	743	743	743	743	675	600	525	450	375	300	225	0	0	0	0	0	0	0
1700-1799	788	788	788	788	788	788	788	788	750	675	600	525	450	375	300	225	0	0	0	0	0	0
1800-1899	833	833	833	833	833	833	833	833	825	750	675	600	525	450	375	300	225	0	0	0	0	0
1900-1999	878	878	878	878	878	878	878	878	878	825	750	675	600	525	450	375	300	225	0	0	0	0

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Note: The Administration's budget submission to Congress proposes a p[illegible]ent schedule which uses an across the board dollar reduction in awards instead [illegible]ear reduction. Flat dollar reduction reduces all awards by an equal amount and does not eliminate any awards. If that proposal is approved by April 30, this payment schedule will be superseded by a new schedule.

PELL GRANT THREE-QUARTER TIME DISBURSEMENT SCHEDULE

For Determining Three-Quarter Time Disbursements for the 1988-89 Award Period
February 1988

	Student Aid Index																					
	0 TO 0	1 TO 100	101 TO 200	201 TO 300	301 TO 400	401 TO 500	501 TO 600	601 TO 700	701 TO 800	801 TO 900	901 TO 1000	1001 TO 1100	1101 TO 1200	1201 TO 1300	1301 TO 1400	1401 TO 1500	1501 TO 1600	1601 TO 1700	1701 TO 1800	1801 TO 1900	1901 TO 2000	2001 TO 9999
Cost of Education																						
2000-2099	923	923	923	923	923	923	923	923	923	900	825	750	675	593	506	420	334	248	161	0	0	0
2100-2199	968	968	968	968	968	968	968	968	968	938	852	766	680	593	506	420	334	248	161	0	0	0
2200-2299	1013	1013	1013	1013	1013	1013	1013	1013	1013	938	852	766	680	593	506	420	334	248	161	0	0	0
2300-2399	1058	1058	1058	1058	1058	1058	1058	1058	1025	938	852	766	680	593	506	420	334	248	161	0	0	0
2400-2499	1103	1103	1103	1103	1103	1103	1103	1103	1025	938	852	766	680	593	506	420	334	248	161	0	0	0
2500-2599	1148	1148	1148	1148	1148	1148	1148	1112	1025	938	852	766	680	593	506	420	334	248	161	0	0	0
2600-2699	1193	1193	1193	1193	1193	1193	1193	1112	1025	938	852	766	680	593	506	420	334	248	161	0	0	0
2700-2799	1238	1238	1238	1238	1238	1238	1198	1112	1025	938	852	766	680	593	506	420	334	248	161	0	0	0
2800-2899	1283	1283	1283	1283	1283	1283	1198	1112	1025	938	852	766	680	593	506	420	334	248	161	0	0	0
2900-2999	1328	1328	1328	1328	1328	1284	1198	1112	1025	938	852	766	680	593	506	420	334	248	161	0	0	0
3000-3099	1373	1373	1373	1373	1370	1284	1198	1112	1025	938	852	766	680	593	506	420	334	248	161	0	0	0
3100-3199	1418	1418	1418	1418	1370	1284	1198	1112	1025	938	852	766	680	593	506	420	334	248	161	0	0	0
3200-3299	1463	1463	1463	1457	1370	1284	1198	1112	1025	938	852	766	680	593	506	420	334	248	161	0	0	0
3300-3399	1508	1508	1508	1457	1370	1284	1198	1112	1025	938	852	766	680	593	506	420	334	248	161	0	0	0
3400-3499	1553	1553	1538	1457	1370	1284	1198	1112	1025	938	852	766	680	593	506	420	334	248	161	0	0	0
3500-3599	1598	1598	1538	1457	1370	1284	1198	1112	1025	938	852	766	680	593	506	420	334	248	161	0	0	0
3600-3699	1643	1613	1538	1457	1370	1284	1198	1112	1025	938	852	766	680	593	506	420	334	248	161	0	0	0
3700 +	1650	1613	1538	1457	1370	1284	1198	1112	1025	938	852	766	680	593	506	420	334	248	161	0	0	0

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PELL GRANT HALF-TIME DISBURSEMENT SCHEDULE

For Determining Half-Time Disbursements for the 1988-89 Award Period
February 1988

	Student Aid Index																				
	0 TO 0	1 TO 100	101 TO 200	201 TO 300	301 TO 400	401 TO 500	501 TO 600	601 TO 700	701 TO 800	801 TO 900	901 TO 1000	1001 TO 1100	1101 TO 1200	1201 TO 1300	1301 TO 1400	1401 TO 1500	1501 TO 1600	1601 TO 1700	1701 TO 1800	1801 TO 1900	1901 TO 2000	2001 TO 9999
Cost of Education																						
0- 299	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
300- 399	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
400- 499	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
500- 599	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
600- 699	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
700- 799	225	225	225	225	200	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
800- 899	255	255	255	255	250	200	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
900- 999	285	285	285	285	285	250	200	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1000-1099	315	315	315	315	315	300	250	200	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1100-1199	345	345	345	345	345	345	300	250	200	0	0	0	0	0	0	0	0	0	0	0	0	0
1200-1299	375	375	375	375	375	375	350	300	250	200	0	0	0	0	0	0	0	0	0	0	0	0
1300-1399	405	405	405	405	405	405	400	350	300	250	200	0	0	0	0	0	0	0	0	0	0	0
1400-1499	435	435	435	435	435	435	435	400	350	300	250	200	0	0	0	0	0	0	0	0	0	0
1500-1599	465	465	465	465	465	465	465	450	400	350	300	250	200	0	0	0	0	0	0	0	0	0
1600-1699	495	495	495	495	495	495	495	495	450	400	350	300	250	200	0	0	0	0	0	0	0	0
1700-1799	525	525	525	525	525	525	525	525	500	450	400	350	300	250	200	0	0	0	0	0	0	0
1800-1899	555	555	555	555	555	555	555	555	550	500	450	400	350	300	250	200	0	0	0	0	0	0
1900-1999	585	585	585	585	585	585	585	585	585	550	500	450	400	350	300	250	200	0	0	0	0	0

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For Determining Half-Time Disbursements for the 1988-89 Award Period
February 1988

	Student Aid Index																					
	0 TO 0	1 TO 100	101 TO 200	201 TO 300	301 TO 400	401 TO 500	501 TO 600	601 TO 700	701 TO 800	801 TO 900	901 TO 1000	1001 TO 1100	1101 TO 1200	1201 TO 1300	1301 TO 1400	1401 TO 1500	1501 TO 1600	1601 TO 1700	1701 TO 1800	1801 TO 1900	1901 TO 2000	2001 TO 9999
Cost of Education																						
2000-2099	615	615	615	615	615	615	615	615	615	600	550	500	450	395	338	280	223	165	0	0	0	0
2100-2199	645	645	645	645	645	645	645	645	645	626	568	511	453	395	338	280	223	165	107	0	0	0
2200-2299	675	675	675	675	675	675	675	675	675	626	568	511	453	395	338	280	223	165	107	0	0	0
2300-2399	705	705	705	705	705	705	705	705	683	626	568	511	453	395	338	280	223	165	107	0	0	0
2400-2499	735	735	735	735	735	735	735	735	683	626	568	511	453	395	338	280	223	165	107	0	0	0
2500-2599	765	765	765	765	765	765	765	741	683	626	568	511	453	395	338	280	223	165	107	0	0	0
2600-2699	795	795	795	795	795	795	795	741	683	626	568	511	453	395	338	280	223	165	107	0	0	0
2700-2799	825	825	825	825	825	825	799	741	683	626	568	511	453	395	338	280	223	165	107	0	0	0
2800-2899	855	855	855	855	855	855	799	741	683	626	568	511	453	395	338	280	223	165	107	0	0	0
2900-2999	885	885	885	885	885	856	799	741	683	626	568	511	453	395	338	280	223	165	107	0	0	0
3000-3099	915	915	915	915	914	856	799	741	683	626	568	511	453	395	338	280	223	165	107	0	0	0
3100-3199	945	945	945	945	914	856	799	741	683	626	568	511	453	395	338	280	223	165	107	0	0	0
3200-3299	975	975	975	971	914	856	799	741	683	626	568	511	453	395	338	280	223	165	107	0	0	0
3300-3399	1005	1005	1005	971	914	856	799	741	683	626	568	511	453	395	338	280	223	165	107	0	0	0
3400-3499	1035	1035	1025	971	914	856	799	741	683	626	568	511	453	395	338	280	223	165	107	0	0	0
3500-3599	1065	1065	1025	971	914	856	799	741	683	626	568	511	453	395	338	280	223	165	107	0	0	0
3600-3699	1095	1075	1025	971	914	856	799	741	683	626	568	511	453	395	338	280	223	165	107	0	0	0
3700 +	1095	1075	1025	971	914	856	799	741	683	626	568	511	453	395	338	280	223	165	107	0	0	0

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APPENDIX B

STUDENT AID REPORTS RECEIVED UNDER VARIOUS CIRCUMSTANCES

Situation	*SAI*	*Forms Sent To Student By Processor*
Student's application could not be processed at all.	no SAI	Void SAR notification
Student's application needs clarification: incomplete or questionable information submitted.	no SAI	Part 1: Information Summary Part 2: Information *Request* Part 3: Not applicable
Student's application processed: not eligible for a Pell Grant.	ineligible SAI	Part 1: Information Summary Part 2: Information *Review* Part 3: Not applicable
Student's application processed: may be eligible for a Pell Grant.	SAI within an eligible range	Part 1: Information Summary Part 2: Information *Review* Part 3: Payment Document

NOTE: This chart does not apply to Student Aid Reports generated by electronic processing through the Pell Electronic Data Exchange (PEDE). PEDE documents will contain the same information as is reported on SAR Parts 1 and 2. Because payment information is submitted electronically, payment documents are not generated by the PEDE system.

APPENDIX C

SAR REPORTING PROCEDURES: CORRECTION, RECALCULATION, ADJUSTMENT, PROJECTED YEAR DATA, AND SECONDARY SAI

This appendix provides a description of how to use Parts 2 and 3 of the SAR to report:

- *history corrections* made by students;
- *SAI recalculations* by the aid administrator, based on corrected data; and
- *SAI adjustments* made by the aid administrator, based on professional judgment.

It also explains how the aid administrator may request the ED central processor to *calculate a new SAI* based on *adjusted data elements* or *projected year data*, or to reprocess the SAR, using an *eligible secondary SAI* as the main SAI.

✦ **History Corrections to Data Elements:** The student can make history corrections, as in previous years:

- On the *SAR Part 2 - Information Review Form*, the student crosses out the data elements to be corrected and writes the correct data in the "The answer should be" column (see below). The "School Use" box is *not* used for routine history corrections, whether initiated by the student or at the request of the aid administrator.
- The aid administrator does not need to complete or sign any part of the SAR when a history correction is made.
- The student (and/or spouse or parent, where appropriate) must sign the Part 2 form after making corrections.
- The student returns the Part 2 form to the central processor. The aid administrator does not need to recalculate the SAI or FC.
- The ED central processor sends the student a new SAR.

Excerpt from the SAR Part 2 - Information Review Form

Make history corrections in the column below.

We asked for		You told us		The answer should be
E. Student's Expenses				
40. Medical/Dental Expenses	$	100	40 $	.00
41. Elem./Jr. High/Sr. High Tuition	$	0	41 $	.00
42. Tuition Paid For How Many Children?	0		42	
F. Student's Veterans Benefits				
43. Monthly GI Bill Veterans Benefits	$	0	43 $	.00
44. GI Bill Veterans Benefit Months	00		44	
45. Monthly Contrib Veterans Benefits	$	200	45 $	.00
46. Contrib Veterans Benefit Months	08		46	

✦ **Reporting SAI Recalculations by the Aid Administrator:** *Recalculations* refer only to computations of EFCs based on *corrected* data elements.

- ✧ The aid administrator may choose to recalculate the SAI for either eligible or ineligible Pell applicants.
- ✧ Recalculations are reported using the "School Use" box (see below) on the *SAR Part 2 - Information Review Form.*
- ✧ After recalculating a student's SAI, the aid administrator writes the newly computed SAI in the first section of the "School Use" box, enters the Pell Institution Number, and signs the form.

Excerpt from the SAR Part 2 - Information Review Form

School Use Only

FAA Recalculated SAI 01742

SAI Calculation Requested:
Projected Yr. Data ☐
Data Element Change ☐

Pell Inst. No. 999999 FAA Signature J. Doe

- ✧ *The data elements must still be corrected on the other pages of the Part 2 Information Review Form,* using the columns headed "The answer should be" as described in the previous section of this appendix. As before, *the student (and/or spouse or parent, where appropriate) must sign* the Part 2 form after making corrections.
- ✧ The school may make one initial disbursement based on a recalculated eligible SAI, but it is liable for this, as for any disbursement for which it does not receive a valid SAR.
- ✧ The ED central processor sends the student a new SAR, as in a regular history correction, but the comments on Part 1 indicate that the aid administrator recalculated the SAI.
- ✧ The school receives a Confirmation Report which compares the aid administrator's recalculation of the SAI to the central processor's calculation based on the corrected data. The school must make adjustments to future disbursements if the school calculation differs from the one done by ED.

✦ **Reporting SAI Adjustments by the Aid Administrator Which Change an Ineligible SAI to an Eligible SAI:** Aid administrators may make adjustments based on professional judgment. This section discusses reporting procedures used when the adjustment includes a change to or recomputation of the SAI by which a previously ineligible applicant becomes eligible.

- ✧ In the second section of the "School Use" box on the *SAR Part 2 - Information Review Form,* the aid administrator indicates which of these 5 areas is being adjusted:
  - the parental contribution
  - one or more data elements
  - projected year data is being used
  - the Pell formula methodology
  - the product--a direct adjustment of the SAI figure itself

Excerpt from the SAR Part 2 - Information Review Form

School Use Only

FAA Recalculated SAI | | | |

FAA SAI Adjustment 0,5,3,0

Type: Parental Cont. ☒ Projected Yr. Data ☐
Formula ☐ Data Element ☐
Product ☐

Pell Inst. No. 9,9,9,9,9,9

FAA Signature [signature]

SAI Calculation Requested:
Projected Yr. Data ☐
Data Element Change ☐
Secondary SAI Requested ☐

Note: The second section of the "School Use" box will contain adjustment boxes only on the SARs of students whose primary SAI was inèligible.

- ✧ The aid administrator recomputes the SAI, uses a certified NAS to recompute the SAI, or directly adjusts the SAI figure itself.

- ✧ The aid administrator writes the recomputed SAI in the second section of the "School Use" box, enters the Pell Institution Number, and signs the form. No student, spouse, or parent signatures are required. The aid administrator does *not* need to make any changes in data elements in other sections of the SAR Part 2.

- ✧ When this second section of the "School Use" box has been completed, the ED central processor does *not* perform any further calculations:
  - If the aid administrator chose to make data element changes on the SAR Part 2, the data on the new SAR will reflect those changes, but *the SAI will be the adjusted SAI as computed by the aid administrator.*
  - The FC will remain unchanged--*a new FC will not be calculated.*

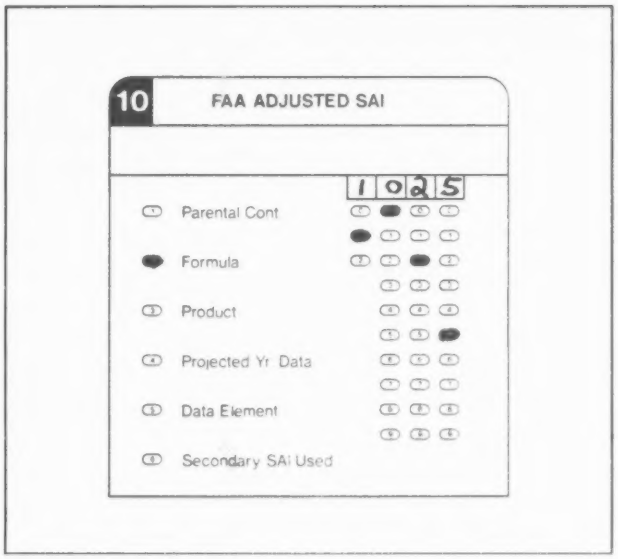
- ✧ The central processor sends the student a new SAR with comments indicating that it is based on the aid administrator's adjustment to the SAI.

- ✧ The adjusted SAI now appears as the primary SAI throughout the SAR, including the *SAR Part 3 - Payment Document.* The aid administrator uses the new payment document for reporting payments. No additional information is required in reporting payments based on the adjusted SAI.

✦ **Reporting SAI Adjustments by the Aid Administrator in Which an Eligible SAI Remains Eligible:** This section discusses reporting procedures when the adjustment includes a change to or recomputation of the primary SAI resulting in a previously eligible applicant remaining eligible.

- ✧ *No* changes are required in the *SAR Part 2 - Information Review Form.*

- ✧ On the *SAR Part 3 - Payment Document,* the aid administrator must complete Item 10, "FAA Adjusted SAI" (see the top of the next page):
  - The aid administrator fills in one of the first 5 ovals on the left to indicate the area in which the adjustment was made. Be sure not to grid the sixth oval.
  - The aid administrator writes the adjusted SAI in the boxes at the top and grids the corresponding number oval below each box.



Excerpt from the SAR Part 3 - Pell Grant Payment Document

✦ **Requesting SAI Calculations Based on Adjusted or Projected Year Data:** When aid administrators make adjustments to data elements based on professional judgment, they may want the ED central processor to recompute the SAI rather than performing the computation themselves. This section describes the procedures for data element adjustments, and procedures for cases in which aid administrators wish to use projected year data in computing the SAI.

✧ The third section of the "School Use" box on the *SAR Part 2 - Information Review Form* may be used to request a recomputation for either eligible or ineligible Pell applicants.

Excerpt from the SAR Part 2 - Information Review Form

School Use Only

FAA Recalculated SAI

FAA SAI Adjustment

Type: Parental Cont. ☐ Projected Yr. Data ☐
Formula ☐ Data Element ☐
Product ☐

SAI Calculation Requested:
Projected Yr. Data ☐
Data Element Change ☒
Secondary SAI Requested ☐

Pell Inst. No. 99999999

FAA Signature J. Doe

✧ In the "SAI Calculation Requested" section of the box (see above), the aid administrator checks the appropriate item--either "Projected Yr. Data" or "Data Element Change." The example above is filled out correctly for a *data element change.*

✧ *The data elements must be changed on the other pages of the Part 2 form* (using "The answer should be" columns) *to reflect the adjustments made.* This includes writing in projected year data for the student, spouse, or parent, if this is the basis for the requested recomputation.

✧ The aid administrator enters the Pell Institution Number and signs the form. No student, spouse, or parent signatures are required.

- The central processor recomputes a new *SAI and FC* based on the changes in the data elements made by the aid administrator. However, *no editing of data* is performed.

✦ Requesting Reprocessing of the SAR Using an Eligible Secondary SAI When the Primary SAI was Ineligible: If the primary SAI was ineligible, but the student has an eligible secondary SAI, the aid administrator may choose to use this secondary SAI.

- The aid administrator checks "Secondary SAI Requested" in the third section of the *SAR Part 2 - Information Review Form*, enters the Pell Institution Number, and signs the form.

- The school may make one initial disbursement based on an eligible secondary SAI, but it is liable for this, as for any disbursement for which it does not receive a valid SAR.

Excerpt from the SAR Part 2 - Information Review Form

School Use Only SIMPLIFIED NEEDS TEST USED - SECONDARY NO. SAI 01500/FC 02100 02800

FAA Recalculated SAI

FAA SAI Adjustment

Type: Parental Cont. ☐ Projected Yr. Data ☐
Formula ☐ Data Element ☐
Product ☐

SAI Calculation Requested:
Projected Yr. Data ☐
Data Element Change ☐
Secondary SAI Requested ☒

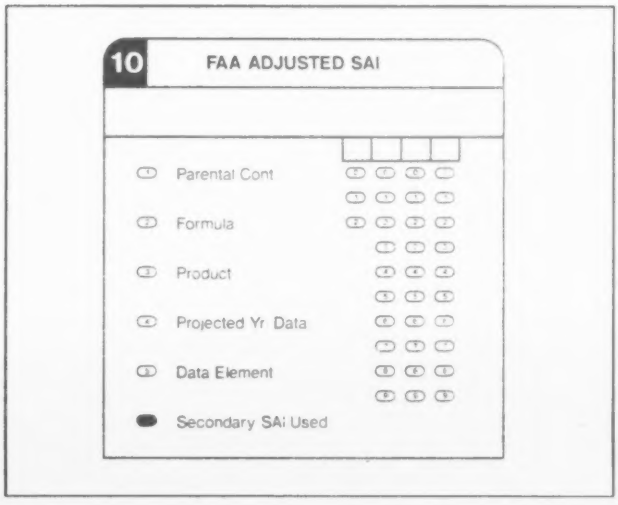
Pell Inst. No. 999999

FAA Signature J. Doe

✦ Reporting the Use of an Eligible Secondary SAI When the Primary SAI was Also Eligible: If both the primary and secondary SAIs are eligible, either of the SAIs may be used. If the aid administrator chooses to use the secondary SAI:

- *No* changes are required in the *SAR Part 2 - Information Review Form*.

- On the *SAR Part 3 - Payment Document*, the aid administrator must complete Item 10, "FAA Adjusted SAI." To indicate the use of the secondary SAI instead of the eligible primary SAI, fill in the "Secondary SAI Used" oval. Be sure not to grid any ovals in the right-hand columns.



Excerpt from the SAR Part 3 - Pell Grant Payment Document

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